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In the Supreme Court of the United States.

OCTOBER TERM, 1976.

No. 76-197

MOHASCO INDUSTRIES, INC., ET AL.,
PETITIONERS,

v.

ALBERT M. SPOUND ET AL.,
RESPONDENTS.

Petition for Writ of Certiorari to the United States Court of Appeals for the First Circuit.

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Petition for Writ of Certiorari to the United States Court of Appeals for the First Circuit.

Petitioners Mohasco Industries, Inc., Super Sagless Spring Corporation, and Futorian Corporation pray that a writ of certiorari be issued to review the judgment of the United States Court of Appeals for the First Circuit in Civil Action No. 75-1385 entered on April 16, 1976.

Citations to Opinions Below.

The opinion of the District Court (CA 124)[1] is reported in 186 USPQ 183 and is printed in Appendix B, *infra*, p. 12a. The opinion of the Court of Appeals, printed in Appendix C1, *infra*, p. 29a, is reported as amended in 534 F. 2d 404, 190 USPQ 1; the addendum to the opinion of the Court of Appeals, printed in Appendix C2, *infra*, p. 41a, is unreported; the Order on Petition for Rehearing, amending the opinion of the Court of Appeals is printed in Appendix C3 hereto, *infra*, p. 53a; the Memorandum on Petition for Rehearing of the Court of Appeals is printed in Appendix C3, *infra*, p. 50a, and is unreported.

Jurisdiction.

The judgment of the Court of Appeals was dated and entered on April 16, 1976. A petition for rehearing filed April 30, 1976, was denied on May 13, 1976 (App. C3, *infra*, p. 53a). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

Questions Presented.

The questions presented are:

(1) Whether the policy established by this Court which allows patent licensees to challenge the validity of a licensed patent is subverted by a damage award that is almost four times the royalty established in the patent license.

[1] "CA" refers to the Consolidated Appendix; "Tr." refers to Designated Portions of the Transcript; "Ex." refers to the Volumes of Exhibits and is followed by the exhibit number and page. All are of record on appeal.

(2) Whether a licensee who enters into an agreement to pay royalties under a pending patent application can be required to continue to pay royalties when that patent application is abandoned.

(3) Whether a jury may award as damages for patent infringement a sum nearly four times greater than any royalty or income the respondents could have received had petitioners not infringed respondents' patent.

(4) Whether the obviousness of a patent is properly treated solely as a fact issue for a jury, or should be independently reviewed as a matter of law against constitutional standards.

(5) Whether it was error for the Court of Appeals:

(a) to refuse to allow the jury to determine the level of skill against which obviousness was to be measured;

(b) to hold that petitioners had a heavy, rather than an ordinary burden of proof in establishing the invalidity of a patent; and

(c) to hold that it was not necessary to instruct the jury that the presumption of patent validity is weakened or destroyed when the Patent Office fails to consider the most relevant prior art.

Statements under Rule 33(2)(b).

Since the proceeding draws into question the constitutionality of 35 U.S.C. § 103 as construed by the Court of Appeals, an Act of Congress affecting the public interest, and since neither the United States nor any agency, officer or employee thereof is a party, it is noted that 28 U.S.C. § 2403 may be applicable.

No court of the United States as defined by 28 U.S.C. § 451 has, pursuant to 28 U.S.C. § 2403, certified to the Attorney General the fact that the constitutionality of such Act of Congress has been drawn into question.

Constitutional Provisions Involved.

The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries. United States Constitution, art. 1, § 8.

No person shall . . . be deprived of life, liberty, or property, without due process of law. . . . United States Constitution, amend. V.

Statutory Provisions Involved.

The statutory provisions involved are 35 U.S.C. §§ 102, 103, 282, and 284 of the patent laws. These laws may be found in volume 7 of the United States Code (1958 edition) at the following pages: § 102, p. 5979; § 103, p. 5980; § 282, p. 6001; and § 284, p. 6002. They are printed insofar as pertinent in Appendix D, *infra*, p. 55a.

Federal Rules of Civil Procedure Involved.

The Federal Rules of Civil Procedure involved are Rule 8(a) and (f), Rule 52(a), and Rule 54(c). These rules may be found in volume 6 of the United States Code (1958 edition) at the following pages: 8(a) and (f), p. 5135; 52(a), p. 5170; and 54(c), p. 5173. They are printed, insofar as pertinent, in Appendix D, *infra*, p. 57a.

Statement of the Case.

The basis for jurisdiction in the court of first instance was diversity of citizenship under 28 U.S.C. § 1332(a) and the existence of a federal question under 28 U.S.C. § 1331(a). Petitioners are New York corporations and respondents are citizens of Massachusetts and California. The amount in controversy exceeds $1,500,000.

Respondents, claiming a jury trial, sued petitioners for royalties under a licensing agreement covering a patent application and five issued patents and, alternatively, for infringement of the Spound/Martin '992 and '374 patents licensed by that agreement.[1] Prior to trial, respondents purported to terminate the licensing agreement for nonpayment of royalties. The case was tried on the basis of the enforceability of the licensing agreement until the purported termination, and thereafter for damages for patent infringement of the '992 and '374 patents. The case was submitted to a jury on 17 special verdict interrogatories, which it answered favorably to respondents on the agreement and patent issues.

The District Court subsequently entered judgment for respondents on the licensing agreement to the date of its purported termination, and on the infringement claims under the '992 patent after termination. The District Court held the '374 patent invalid for double patenting.

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[1] The licensing agreement, consisting of a document entitled "Agreement" and two letters, is printed in Appendix A hereto, *infra*, p. 1a. The parties agreed and the courts below found (App. C2, *infra*, p. 42a) that these three documents together constituted one integrated document which we refer to herein as the licensing agreement.

The Patent Rights Involved.

The '992 and '374 patents were both directed to an upholstered reclining chair in which a headrest concealed in the chair back moves to an elevated position above the back when the chair is moved from an upright to a reclining position. The headrest is elevated by a linkage mechanism having a lost motion function which allows the chair to continue its reclining motion after the headrest is elevated (Tr. 105; App. E, *infra*, p. 59a).

The prior art Spound '347 patent related to the same subject matter as the '992 and '374 patents, except that the linkage mechanism did not permit the chair to continue to recline after the headrest was fully elevated. (Ex. S, p. 498; App. C1, *infra*, p. 36a.) A linkage mechanism that did permit such a chair to continue to recline after a footrest was fully extended was in the prior art (Ex. EE, p. 524). Also, the basic idea of an elevatable headrest in a reclining chair is very old, dating back to the 19th century (Ex. E, p. 425).

The licensed patent application (the "'402 application") principally added a latch to the '374 mechanism to prevent accidental depression of the headrest and an improved linkage mechanism, but the claims as originally filed improperly claimed the whole concept of a reclining chair with a pop-up headrest (App. C2, *infra*, p. 47a). The '402 application was finally rejected by the Patent Office and was thereafter abandoned (Ex. 22, p. 113).

The Licensing Agreement.

The licensing agreement, which was entered into shortly after the '402 application was filed, granted a license to petitioners under the '402 application and under five issued patents

including the '992 patent, the '374 patent and the '347 patent. The agreement expressly defined the licensed "Invention" as the improvement defined in the '402 application and required payment of $1.00 for each chair sold that incorporated that "Invention." It also gave petitioners the right "without payment therefor . . . to make, use and sell the inventions embodied in . . ." the issued patents also licensed. A further provision gave respondents the option to cancel the agreement if the payment for any year was less than $10,000.

Interpretation of the Agreement by the Courts Below.

A key issue at trial and on appeal related to the termination of the licensing agreement by respondents. Petitioners had contended that the $1.00 per unit royalty called for by that agreement was payable only as to the "Invention" embodied in the '402 application, and that the rejection of that application by the Patent Office rendered such royalty payment unenforceable with the same effect as though a patent had issued and had been declared invalid. The District Court ruled, however, that the licensing agreement was ambiguous as to the scope of the "Invention" licensed under the agreement, and admitted parol evidence with regard to that issue. As a result, the jury found that the licensed "Invention" comprised all five issued patents and the '402 patent application, and therefore the licensing agreement had been properly terminated by respondents because of nonpayment of a $1.00 per unit royalty for use of the "Invention" as so defined (App. B, *infra*, p. 25a). The jury also determined that $3.75 per chair was a "reasonable royalty" for infringement of the '992 and '374 patents following such termination (App. B, *infra*, p. 27a).

The Court of Appeals, however, found that the licensing agreement was not ambiguous, and that it clearly and plainly

called for payment of a $1.00 per unit royalty only as to the subject matter of the licensed '402 application as petitioners had contended (App. C2, *infra*, p. 46a).

However, the Court of Appeals also found that a residue of royalty-supporting consideration remained under the broad claims of the '402 application despite its total rejection by the Patent Office and its subsequent abandonment by respondents. It also disregarded that respondents' '402 chair was discontinued because it did not work, and a chair became successful only after extensive development work by petitioners (Tr. pp. 78-80, 82; see also, Tr. pp. 44-46, 243). On the basis of this unsupported and *sua sponte* interpretation of the licensing agreement, the Court of Appeals affirmed that the licensing agreement had been properly terminated by respondents, although on a totally different ground from that of the jury and District Court, and on a ground that the Court of Appeals acknowledged had not been advanced by either side in the entire course of the litigation (App. C2, *infra*, p. 49a).

Erroneous Jury Instructions.

1. *The Level of Skill for Purposes of Obviousness.*

The District Court instructed the jury over petitioner's objection that the level of skill for determining the obviousness of the '992 and '374 patents was the "art of furniture manufacture and not . . . the art of mechanical engineering" (Tr. 1012, 1015, 1016).

The Court of Appeals found no error in this charge with respect to the '992 patent because it concluded that the most innovative aspect of the '992 patent was the concept of a chair with an adjustable headrest having a lost motion (App. C1, *infra*, p. 36a). The Court of Appeals acknowledged that this instruction was erroneous with respect to the '374 patent, which differs from the '992 patent only in the details of the linkage mechanism (App. C1, *infra*, p. 37a).

2. *The Weakened Presumption of Patent Validity.*

Petitioners requested instructions to the effect that the presumption of validity under 35 U.S.C. § 282 was weakened as to the '992 patent because relevant prior art was not considered by the Patent Office in issuing that patent (CA 105-106). The District Court failed to give these requested instructions, to which failure petitioner duly objected (Tr. 1017).

The Court of Appeals found no error in this failure, holding that a ". . . heavy presumption . . . normally attaches to Patent Office decisions. . . ." It concluded that since the District Court did not characterize petitioners' normal burden of proof as a heavy burden in its charge, it was not necessary to instruct the jury that the usual presumption of patent validity was weakened because relevant prior art was not considered by the Patent Office (App. C3, *infra*, p. 51a).

Other Licenses by Respondents.

Four months after termination of petitioners' license and before trial, the '992 patent, together with the subsequently invalidated '374 patent and two other related patents, was exclusively licensed to Flexsteel Industries, Inc., for a purported royalty of $1.00 per chair (Ex. L, p. 480). No evidence was offered by respondents that the amount of royalty they were able to negotiate with Flexsteel was reduced by the pendency of this litigation. In fact, no evidence of any kind was offered with respect to the negotiations between respondents and Flexsteel. At the time the Flexsteel license was granted, one of the petitioners had not yet commenced manufacture.

Reasons for Granting the Writ.

(1) In *Lear, Inc.* v. *Adkins,* 395 U.S. 653 (1969), this Court rejected the licensee estoppel doctrine which had for many years precluded licensees from challenging the validity of patents. It rejected it on the principle that patent licensees should be encouraged to challenge invalid patents so that the yoke of unjustified patent monopolies would be removed from the neck of the public. This Court reasoned that it is the licensee that has the greatest interest in challenging invalid patents.

The result reached by the jury and affirmed by the Court of Appeals below requires petitioners to pay $3.75 per chair, rather than the $1.00 per chair required under the license. This result, if it is allowed to stand as precedent, in fact would create a "licensee risk doctrine" having the same chilling effect on challengers to invalid patent monopolies as the rejected licensee estoppel doctrine. The chilling effect arises because the result below (a) awards respondents nearly four times more than any amount petitioners would have had to pay had they not challenged respondents' patents, and (b) reconstructs the licensing agreement adversely to petitioner in a manner not contemplated by either party (App. C2, *infra,* p. 49a). This result, as precedent, will have a negative effect on all licensees considering such challenges in the future, and will severely limit the *Lear* doctrine.

(2) This Court has consistently held that a patentee's right to royalties is limited to the subject matter in a valid, subsisting patent. *Lear, Inc.* v. *Adkins, supra*; *Brulotte* v. *Thys Co.*, 379 U.S. 29 (1964); *Zenith Radio Corp.* v. *Hazeltine Research, Inc.*, 395 U.S. 100 (1969); *Motion Picture Patents Co.* v. *Universal Film Mfg. Co.*, 243 U.S. 502 (1917).

The Court of Appeals found below, however, that the abandoned '402 application defined a royalty bearing obligation (App. C2, *infra,* p. 47a). As a result, the Court of Appeals required that petitioners pay a $1.00 per unit royalty. In building toward its rationalization of the trial result, the Court of Appeals has breathed life into a long abandoned patent application, in effect overruling the rejection of that application pursuant to the prescribed examination procedures of the Patent Office required under the patent law. Such actions are inconsistent with this Court's well-established policy of limiting royalties to inventions which have been properly defined in valid patents.

In substance, the Court of Appeals created a patent.

(3) The Court of Appeals' decision with respect to damages is in conflict with decisions of this Court and with decisions of other courts of appeals. This Court held, in *Aro Mfg. Co.* v. *Convertible Top Co.*, 377 U.S. 476, 507 (1964), under 35 U.S.C. § 284, that:

> . . . the present statutory rule is that only 'damages' may be recovered. These have been defined by this Court as 'compensation for the pecuniary loss he [the patentee] has suffered from the infringement, without regard to the question whether the defendant has gained or lost by his unlawful acts.' *Coupe* v. *Royer,* 155 U.S. 565, 582. They have been said to constitute 'the difference between his pecuniary condition after the infringement, and what his condition would have been if the infringement had not occurred.' *Yale Lock Mfg. Co.* v. *Sargent,* 117 U.S. 536, 552. The question to be asked in determining damages is 'how much had the Patent Holder and Licensee suffered by the infringement. And that

> question [is] primarily: had the Infringer not infringed, what would Patent Holder-Licensee have made?' *Livesay Window Co.* v. *Livesay Industries, Inc. supra*, 251 F. 2d, at 471.

Had petitioners not infringed either by continuing under their licensing agreement or by taking a sublicense from Flexsteel, or by leaving the market to Flexsteel, respondents would have received a royalty of at most only $1.00 per chair. Therefore, the award of $3.75 per chair by a jury is almost four times the maximum pecuniary loss that could have been suffered by respondents and, in fact, is almost four times more than respondents ever sought in any arms length dealings. Indeed, in 1970, the respondents, in referring to the $1.00 per chair royalty, wrote ". . . the royalty provided for in the original Agreement was fair then and most certainly is fair now . . ." (Ex. 42, p. 214).

An award for patent infringement that is substantially in excess of respondents' damages is not only inconsistent with the express holding of *Aro*, but also enhances the possibility that owners of weak patents will seek jury trials in the hope of windfall profits. Indeed, others in the industry have been sued for infringement of the '992 patent and presumably the respondents will seek a $3.75 per chair royalty.

The Court of Appeals' ruling in this case is also contrary to decisions in other circuits which, consistent with the theory of *Aro*, hold that a patentee cannot recover royalties in excess of what he would receive from his exclusive licensee, whether the patented device is made and sold by the exclusive licensee, a sublicensee, or a nonlicensed infringer. *Cold Metal Process Co.* v. *E. W. Bliss Co.*, 285 F. 2d 231, 240-241 (6th Cir. 1960), *cert. denied*, 366 U.S. 911 (1961); *see also, Duplan Corp.* v. *Deering Milliken Research Corp.*, 522 F. 2d 809, 815 (4th Cir. 1975).

(4) There is a clearly established conflict among all the circuit courts as to whether obviousness of a patent is a matter of law or fact, and as to the manner in which the issue of obviousness is reviewable on appeal. Consequently the validity of a patent is measured by different standards in different circuits. Since every circuit court has taken a position which is in conflict with other circuits, the guidance of this Court is required to assure a uniform standard of patentability. A request to resolve this conflict is not only made in this case, but also, we understand, will shortly be made in two other jury cases, *Tights* v. *Acme-McCrary Corp.* ___ F. 2d ___ (4th Cir. 7/12/76) which reached the same result, and *Pederson* v. *Stuart-Warner Corp.*, ___ F. 2d ___ (7th Cir. 6/23/76) which reached an opposite result.

This case presents an ideal opportunity for this Court to resolve the conflict because it was tried to a jury where the resolution of the issue was critical to the outcome of the case. The outcome of this case is also important in the furniture industry as respondents have charged at least six other manufacturers with infringement of the '992 patent and have instituted two additional suits.[3]

Graham v. *John Deere Co.*, 383 U.S. 1 (1966), outlines the test of patentability. In *Graham*, this Court stated:

> . . . the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. *Id.* at p. 17.

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[3] *Spound et al.* v. *Berkline Corporation et al.*, Civil No. 73-317M, D. Mass. 1973 ; *Spound et al.* v. *Action Industries, Inc.*, Civil No. 74-C-6-L, W.D. Va. 1974.

The courts of appeal, however, have disagreed as to whether this obviousness test is one of fact or law, and have also disagreed as to the degree to which facts should be reviewed on appeal. In *Flour City Architectural Metals* v. *Alpana Alum. Prod., Inc.*, 454 F. 2d 98 (8th Cir. 1972), the court recognized the reasons for this disagreement:

> This language of the Supreme Court [in *Graham*] serves as a rather precise guideline for the trial court, *but does not articulate with particularity a standard for our appellate review.* Although stating that 'the ultimate question of patentability is one of law,' *Graham* does not clarify whether the underlying 'condition' of non-obviousness also calls for treatment as a question of law. The Court, moreover, did not expressly overrule its earlier precedents which indicate that obviousness is to be treated as a matter of fact, governed on appeal by the 'clearly erroneous' rule. (Emphasis supplied.) *Id.* at p. 105.

The Courts of Appeals of the Second, Fifth, Sixth, Seventh, Eighth, Ninth and D.C. Circuits hold that the question of obviousness is a matter of law to be measured against a constitutional standard. *Shaw* v. *E.B. & A.C. Whiting Co.*, 417 F. 2d 1097 (2d Cir. 1969), *cert. denied*, 397 U.S. 1076 (1970); *Parker* v. *Motorola, Inc.*, 524 F. 2d 518 (5th Cir. 1975); *Kolene Corp.* v. *Motor City Metal Treating, Inc.*, 440 F. 2d 77 (6th Cir. 1971), *cert. denied*, 404 U.S. 886 (1971); *Pederson* v. *Stuart-Warner Corp.*, ____ F. 2d ____, (7th Cir. 6/23/76); *Panther Pumps & Equipment Co., Inc.* v. *Hydrocraft, Inc.*, 468 F. 2d 225 (7th Cir. 1972), *cert. denied*, 411 U.S. 965 (1973); *Flour City Architectural Metals* v. *Alpana Alum. Prod., Inc.*, 454 F. 2d 98 (8th Cir. 1972); *Hensley Equipment Co., Inc.* v. *Esco Corp.*, 375 F. 2d 432 (9th Cir. 1967);

Turzillo v. *P & Z Mergentime*, 532 F. 2d 1393 (D.C. Cir. 1976).

On the other hand, the Courts of Appeals for the First and Tenth Circuits hold that the issue of obviousness is one of fact, not to be overruled unless clearly erroneous under F.R.C.P. 52(a). *Shanklin Corp.* v. *Springfield Photo Mount Co.*, 521 F. 2d 609 (1st Cir. 1975); *Moore* v. *Shultz*, 491 F. 2d 294 (10th Cir. 1974), *cert. denied*, 419 U.S. 930 (1974).

The position of the Third Circuit is not clear. *See, Layne-New York Co., Inc.* v. *Allied Asphalt Co., Inc.*, 501 F. 2d 405 (3d Cir. 1974), *cert. denied*, 421 U.S. 914 (1975); *ADM Corp.* v. *Speedmaster Packaging Corp.*, 525 F. 2d 662 (3d Cir. 1975).

The Fourth Circuit appears to apply different standards for jury and nonjury cases. In *Diamond International Corp.* v. *Maryland Fresh Eggs, Inc.*, 523 F. 2d 113 (4th Cir. 1975), the court held obviousness was a question of law in a nonjury case. However, in *Tights, Inc.* v. *Acme-McCrary Corp.*, F. 2d (4th Cir. 7/12/76), the court refused to disturb a jury finding of nonobviousness because it was not clearly erroneous as a matter of fact, even though it stated obviousness was a matter of law.

In the present case, the District Court accepted the jury finding of nonobviousness as a requirement that the patent be held valid as a matter of law. The District Court held:

> The Court is satisfied that the jury's finding of non-obviousness in answer to question no. 18 fulfills the factual requirements of a § 103 determination. Based upon the jury's findings, the Court concludes that patents '992 and '374 are valid under the tests of § 103. (App. B, *infra*, pp. 14a-15a.)

This action amounts, essentially, to a rubber-stamp approval of the jury findings of nonobviousness.

The courts below should have independently reviewed the evidence as this Court did in *Sakraida* v. *Ag Pro, Inc.*, 96 S. Ct. 1532 (1976), to determine if the constitutional standard had been met. The '992 patent was a combination in which each element of the combination was old. A reclining chair with a headrest automatically elevated by a linkage mechanism was shown in the prior art '347 patent as well as many other patents going back to 1892 (Ex. E, p. 425; Ex. V, p. 515). The lost motion concept was shown in the prior art Fletcher reclining chair patent '119 and in other mechanical engineering art (Ex. EE, p. 524; App. B, *infra*, pp. 18a-19a). The linkage mechanisms for producing the lost motion also were in the prior art for perhaps one hundred years (App. B, *infra*, pp. 18a-19a). Rather than carefully scrutinizing this combination of elements as required by *Sakraida*, the Court of Appeals said:

> "Whether plaintiff achieved synergism, or new and surprising result, or any other expression of the requirement involved in obviousness vel non, we believe was a jury question." (App. C3, *infra*, p. 52a.)

The Court of Appeals not only refused to carefully scrutinize this combination patent, but actually considered a determination of validity as irrelevant. The Court of Appeals stated that even if the '992 patent was invalid for lack of invention, the jury could have "transferred its conclusions" of nonobviousness to respondent's '347 patent (App. C3, *infra*, p. 52a).[4]

[4] Since the '347 patent was not asserted against petitioners in the pleadings because it was not infringed, this statement cannot be taken seriously. However, if it is taken seriously, it raises a very significant due process question because the case then turns on a patent which petitioners never had an opportunity to challenge.

Since there are approximately 150 patent cases a year decided on the issue of validity, this critical conflict should be resolved. It is especially important to resolve it in jury trials, because, if "obviousness" is to be determined solely by a jury, it provides a loophole in the strict standard of patentability established by *Graham*.

Indeed, the percentage of patent cases tried by a jury in the past three years has almost doubled to 7½ per cent from 4 per cent in the three preceding years, which suggests an increased recognition of this loophole.[5]

This Court should make it clear that the validity of patents will be measured against constitutional standards, and that invalid patents will be struck down as a matter of law. Requiring a court to make a determination of validity as a matter of law, independent of the jury finding, will have the effect of discouraging unnecessary jury trials, and will further discourage forum shopping by patent litigants for circuits which will not review jury findings, thus effecting an overall saving of district court pretrial and trial time.

(5) This Court should delineate the boundaries within which a district court's instructions to a jury must be framed in order to obtain simple justice and uniformity in jury cases involving validity of a patent. The necessary latitude permitted trial courts in framing jury instructions (*Panther Pumps & Equipment Co., Inc.* v. *Hydrocraft, Inc.*, *supra*), coupled with the lack of guidance by this Court, has resulted in confusion and disparities between and within the various circuits. The proceedings in the District Court and the Court of Appeals exemplify this confusion and disparity, and this case

[5] Calculated from the Annual Report of the Director of the Administrative Office of the United States Courts for the years 1970 to 1975 inclusive. We also estimate from these reports that jury trials in late 1975 averaged 7 days or 40 per cent more than the 5-day average for nonjury trials.

thus presents an excellent opportunity for this Court to provide clarification and direction for the proper framing of instructions when patent validity is tried before a jury.

The courts below made three principal errors in jury instructions. First, the District Court did not permit the jury to make all the factual determinations as prescribed by *Graham* v. *John Deere Co.*, *supra*. Second, the Court of Appeals imposed upon the petitioner a heavy, rather than an ordinary, burden of proof in establishing invalidity. Third, the District Court failed to instruct the jury that the presumption of validity was affected by the failure of the Patent Office to consider the most relevant prior art.

Graham specifically required that the "level of ordinary skill in the pertinent art [be] resolved . . ." as one of "several basic factual inquiries." 383 U.S. at 17. There was ample support in the record for the jury to determine that the level of skill was that of a mechanical engineer. For example, the patent claims specifically related to mechanical linkages (App. E, *infra*, pp. 68a-69a); the co-inventor with respondent Spound was a mechanical engineer (Tr. 17, 226); the experts for both sides were mechanical engineers (Tr. 437, 442, 443, 669); and both testified that the problems solved were mechanical engineering problems (Tr. 656, 674, 675). Therefore, petitioners were clearly entitled to an instruction which allowed the jury to determine whether or not the level of skill against which obviousness was to be measured was that of a mechanical engineer. The District Court refused such an instruction and told the jury, over petitioners' objections, that the level of skill was that of a furniture designer (Tr. 1012, 1015). That instruction usurped the jury fact-finding role and is inconsistent with this Court's holding in *Graham* v. *John Deere Co.*, *supra*.

The Court of Appeals' affirmance of the District Court's instructions to the jury turned on its holding that the presumption of validity attaching to an issued patent is a "heavy" rather than "ordinary" burden as is set forth in the statement (*supra*, p. 9).

The patent law states that a patent shall be presumed valid (35 U.S.C. § 282; App. D, *infra*, p. 56a). In the twenty-four years since the enactment of the new patent law, this Court has never interpreted the nature of the presumption that attaches to a patent, even though that presumption would have been involved in nearly all the approximately 4,000 patent cases tried since the enactment of the statute.

In view of this lack of guidance and the silence of the statute, the extent to which a patent is presumed valid has varied, not only from circuit to circuit, but also within circuits. For example, the Third, Fifth, Seventh, Ninth, and Tenth Circuits have required "clear and convincing" evidence to overcome the presumption of the validity of a patent. *Trio Process Corp.* v. *L. Goldstein's Sons, Inc.*, 461 F. 2d 66 (3d Cir. 1972), *cert. denied*, 409 U.S. 997 (1972); *Van Gorp Mfg., Inc.* v. *Townley Industrial Plastics, Inc.*, 464 F. 2d 16 (5th Cir. 1972); *Laser Alignment, Inc.* v. *Woodruff & Sons, Inc.*, 491 F. 2d 866 (7th Cir. 1974), *cert. denied*, 419 U.S. 874 (1974); *Purer & Co.* v. *Aktiebolaget Addo*, 410 F. 2d 871 (9th Cir. 1969), *cert. denied*, 396 U.S. 834 (1969); *Moore* v. *Shultz*, 491 F. 2d 294 (10th Cir. 1974), *cert. denied*, 419 U.S. 930 (1974). The Fourth Circuit has stated the requirement as a "generous preponderance of evidence," *Triumph Hosiery Mills, Inc.* v. *Alamance Industries, Inc.*, 299 F. 2d 793 (4th Cir. 1962), *cert. denied*, 370 U.S. 924 (1962), while the Eighth Circuit has called for "substantial evidence," *L & A Products, Inc.* v. *Britt Tech Corp.*, 365 F. 2d 83 (8th Cir. 1966). On the other hand, the Second Circuit has stated that only a "slight" presumption of validity attaches to a patent. *Ling-Tempco-Vought, Inc.* v. *Kollsman Instrument Corp.*, 372 F. 2d 263 (2d Cir. 1967); *Lorenz* v. *F.W. Woolworth*

Co., 305 F. 2d 102 (2d Cir. 1962); *Reeves Brothers, Inc.* v. *U.S. Laminating Corp.*, 417 F. 2d 869 (2d Cir. 1969). Some circuits have dissected the presumption into procedural and evidentiary aspects. *Chicago Rawhide Mfg. Co.* v. *Crane Packing Co.*, 523 F. 2d 452 (7th Cir. 1975), *cert. denied*, 423 U.S. 1091 (1976); *Sperberg* v. *Goodyear Tire & Rubber Co.*, 519 F. 2d 708 (6th Cir. 1975), *cert. denied*, 423 U.S. 987 (1975).

This case presents an ideal opportunity to consider the problem because the Court of Appeals acknowledged that, if only the usual burden of proof were required to overcome the presumption of validity, reversal would have been in order (App. C3, *infra*, p. 51a).

The District Court instructed the jury:

> You must presume in reaching your answer to this question that both the Spound '992 and '374 patents are valid patents. *You must presume that for purposes of this question, and that the differences between the inventions patented and the prior art would not have been obvious* to a person having ordinary skill in furniture manufacturing *at the time each invention was made.* (Emphasis supplied.) (Tr. 1011.)

The District Court refused to give any additional instructions specifically relating to prior art which was not considered by the Patent Office (CA 105-106; Tr. 1017). Therefore, the charge of the District Court cannot be reconciled with the position of many courts of appeals that relevant prior art not considered by the Patent Office weakens or destroys the presumption of validity. *Hadco Products, Inc.* v. *Walter Kidde & Co.*, 462 F. 2d 1265 (3d Cir. 1972), *cert. denied*, 409 U.S. 1023 (1972); *Williamson-Dickie Mfg. Co.* v.

Hortex, Inc., 504 F. 2d 983 (5th Cir. 1974); *Bolkcom* v. *Carborundum Co.*, 523 F. 2d 492 (6th Cir. 1975); *Chicago Rawhide Mfg. Co.* v. *Crane Packing Co.*, *supra*; *M.B. Skinner Co.* v. *Continental Industries, Inc.*, 346 F. 2d 170 (10th Cir. 1965), *cert. denied*, 383 U.S. 934 (1966); all holding the presumption is weakened. *Shaw* v. *E.B. & A.C. Whiting Co.*, *supra*; *Eisele* v. *St. Amour*, 423 F. 2d 135 (6th Cir. 1970); *Henry Mfg. Co., Inc.* v. *Commercial Filters Corp.*, 489 F. 2d 1008 (7th Cir. 1972); *Westinghouse Electric Corp.* v. *Titanium Metals Corp. of America*, 454 F. 2d 515 (9th Cir. 1971), *cert. denied*, 407 U.S 911 (1972); all holding the presumption is destroyed.

Because the best prior art was not considered by the Patent Office, because the jury was instructed to presume the patent was valid, and because the courts below refused to consider obviousness as a matter of law, the public has been saddled with a patent monopoly without anyone ever impartially measuring its validity against an objective constitutional standard.

Inadequate jury instructions in a patent case, which result in a finding of patent validity, will frequently have an industry-wide effect. A patent which has once been held valid is not likely to be challenged a second time. This results in companies paying royalties or discontinuing manufacture without testing the patent. The costs are eventually passed to the public without the patent ever being adequately reviewed. In the present case, the '992 patent is now the subject of additional suits by respondents against others in the industry (see footnote 3, *supra*, p. 13).

In addition, non-uniform instructions to juries, particularly when the jury decisions on obviousness are not reviewed as a matter of law, encourage forum shopping by owners of weak patents. The obligation to pay royalties should not depend upon the circuit in which the trial takes place.

Conclusion.

For the foregoing reasons the petition for certiorari should be granted.

Respectfully submitted,

DAVID WOLF,
GEORGE L. GREENFIELD,
WOLF, GREENFIELD & SACKS,
185 Devonshire Street,
Boston, Massachusetts 02110.
(617) 426-6131

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Appendix A.

PLAINTIFFS' EXHIBIT 17.

Agreement.

THIS AGREEMENT made and entered into as of the 31st day of March, 1961, by and between ALBERT M. SPOUND, of Wellesley, Norfolk County, Massachusetts, and JOSEPH SPOUND and MORRIS LOEB, both of Leominster, Worcester County, Massachusetts, hereinafter referred to as the "HOLDERS", and SUPER SAGLESS SPRING CORPORATION, a New Jersey corporation having a principal place of business in Bayonne, New Jersey, hereinafter referred to as the 'COMPANY",

Witnesseth:

WHEREAS an application has been made by the HOLDERS in the United States Patent Office on February 15, 1961, Serial No. 89402, for a patent on an invention consisting of a head rest hidden in the back of a chair which rises automatically with accelerated action, hereinafter referred to as the "Invention", and the Invention constitutes an improvement on certain patents hereinafter described, and the Invention when incorporated in a mechanism for use in a reclining chair constitutes, for the purpose of this Agreement, an "Improved Chair Fixture"; and

WHEREAS the HOLDERS own the entire right, title and interest in and to United States Patent No. 2884992, issued May 5, 1959, for Reclining Chair Head Rest Constructions, hereinafter referred to as the "basic patent"; and

WHEREAS the HOLDERS own the entire right, title and interest in and to the following United States patents: No. 2947347, No. 2952303, No. 2958374 and No. 2975826; all relating to reclining chair constructions, hereinafter referred to as "improvement patents"; and

WHEREAS the COMPANY is desirous of obtaining from the HOLDERS a license under the Invention and under any patent which may be issued on said application or for the Invention to manufacture, use and sell the Invention throughout the United States and all foreign countries, on the terms and conditions hereinafter set forth;

Now, THEREFORE, the parties hereto agree as follows:

1. The HOLDERS hereby grant to the COMPANY a license under the Invention and under any patent which may be issued on said application or for the Invention to manufacture, use and sell the Invention throughout the United States and all foreign countries. The COMPANY shall have the further right without payment therefor, but shall not be obligated, to manufacture, use and sell the inventions embodied in the basic patent and the improvement patents solely in connection with the manufacture, use and sale of the Invention hereby licensed.

2. The COMPANY agrees to pay to the HOLDERS for the right to manufacture, sell and use the Invention an amount equal to One (1) Dollar for each set of Improved Chair Fixtures sold and delivered or otherwise disposed of by the COMPANY into which the Invention is incorporated. Each such set shall consist of that number of Improved Chair Fixtures used in a single chair. Payment of said amounts due hereunder, other than for use of Improved Chair Fixtures by the COMPANY itself, shall be made solely out of the proceeds collected on account of the sale of each such set of Improved Chair Fixtures.

The COMPANY agrees that if the aggregate amount which shall be due and payable hereunder shall be less than Ten Thousand (10,000) Dollars for any twelve-month period ending March 15, 1962, or for any subsequent twelve-month period, then and in such event, the HOLDERS shall have the

option to cancel this agreement upon sixty (60) days notice to the COMPANY in writing, unless during such sixty (60) day period the COMPANY shall pay to said HOLDERS the difference between the amount otherwise due and payable hereunder for such twelve-month period and Ten Thousand (10,000) Dollars.

3. Within fifteen (15) days after the end of each month, the COMPANY will make written reports of the number of Improved Chair Fixtures shipped and invoiced during the month preceding the date of such report by the COMPANY, and the amount due the HOLDERS on account thereof. Payment of said amount shall be made by the COMPANY to the HOLDERS within sixty (60) days after the end of such month.

Under this Agreement, said Improved Chair Fixtures shall be considered to be sold when invoiced to COMPANY's customers, except that upon expiration of any Letters Patent specifically covering the Invention pursuant to said patent application or upon any termination of this Agreement, all shipments made on or prior to the day of such expiration or termination which have not been billed out prior thereto shall be considered as sold (and therefore subject to payments). Payments made on said articles which are returned by the customer and accepted by the COMPANY for credit shall be credited against payments to be made by the COMPANY.

4. The COMPANY agrees to keep records showing the sale of Improved Chair Fixtures under the license herein granted in sufficient detail to enable the amounts payable hereunder by the COMPANY to be determined, and further agrees to permit its books and records to be examined from time to time to the extent deemed necessary by the HOLDERS to verify the reports provided for in paragraph 3 hereof, such examination to be made at the expense of the HOLDERS who shall be acceptable to the COMPANY, or by a certified public accountant appointed by the HOLDERS.

5. If the COMPANY shall at any time default in the payment of any amounts due hereunder or the making of any report hereunder, or shall commit any breach of any covenant or agreement herein contained, or shall make any false report, and shall fail to remedy any such default, breach, or report within thirty (30) days after written notice thereof by the HOLDERS, the HOLDERS may, at their option, cancel this Agreement and revest in themselves all right, title and interest in the Invention and any patents relating thereto by notice in writing to such effect; but such act shall not prejudice any cause of action or claim of the HOLDERS accrued or to accrue on account of any breach or default by the COMPANY.

6. The obligations of the COMPANY hereunder, including the obligations to make reports and to pay amounts due hereunder, and the HOLDERS' rights hereunder shall run in favor of the heirs, successors, assigns or other legal representatives of the HOLDERS.

7. The HOLDERS hereby warrant that there exists no condition, claim or other disability on account of which the execution and performance of this Agreement by the HOLDERS can be prohibited. They further warrant that the Invention does not infringe on any other patent or invention and agree that they will defend at their own expense any action of infringement which may be brought against the COMPANY or its customers by reason of manufacture, sale or use of the Invention licensed hereunder, and will indemnify and save harmless the COMPANY from all damages on account thereof, but in no event shall the HOLDERS be required or obligated to pay or otherwise incur liability under this paragraph 7 in an aggregate amount in excess of the total amount of the payments received by the HOLDERS pursuant to the terms hereof.

8. In the event of any claimed infringement of the Invention or any patent issued pursuant to said patent application, the COMPANY shall notify the HOLDERS in writing, whereupon

the HOLDERS shall have the option for sixty (60) days after said notice to require the COMPANY to commence appropriate action to abate said infringement or recover damages, or both, at the expense of the HOLDERS, with counsel selected by the HOLDERS. In the event the HOLDERS exercise such option, an amount equal to the recoveries, if any, is to be paid by the COMPANY to the HOLDERS. The balance due on account of any such expenses shall be deducted by the COMPANY from said amount. If the HOLDERS do not exercise said option, the COMPANY shall be free to prosecute such action as it may deem appropriate, at its own expense, and shall be entitled to retain any amounts recovered by reason thereof. In the event the HOLDERS do not exercise the option provided herein, the COMPANY shall have the right to manufacture the device on account of which said infringement is alleged until a Federal District Court has determined that said device infringes the Invention or any patent issued pursuant to said application. In the event of such determination the COMPANY will pay on account of said devices such amount as would have been due hereunder if the devices were the Invention. The failure of the HOLDERS to exercise the option provided hereunder shall not be deemed to be a waiver of any rights which the HOLDERS may have against the COMPANY or against any other person on account of said alleged infringement.

9. In the event any claim or claims made under the patent issued pursuant to said patent application is declared invalid by a Federal District Court to such an extent that the manufacture, sale and use of the Invention can be carried out without infringement of any claim of said patent, no amounts shall thereafter be paid hereunder until the validity of said patent is finally re-established by the entry of a judgment or decree which is not further reviewable through the exhaustion of all permissible applications for rehearings or review by a superior tribunal or by the expiration of time permitted for such applications.

10. Whenever under the terms of this Agreement any notice is required or permitted to be given by either party to the other, it shall be deemed to have been sufficiently given for all the purposes thereof if mailed by registered mail, postage prepaid, to the party or parties to be notified at the address set forth herein for such party or to the HOLDERS c/o Charlton Company, Inc., Fitchburg, Massachusetts, and to the COMPANY at East 46 Street, Bayonne, New Jersey.

11. A waiver at any one time of any of the terms and conditions of this contract shall not be considered a modification, cancellation or a waiver of such term or terms or condition or conditions thereafter.

12. This Agreement shall inure to the benefit of and be binding upon the HOLDERS and the COMPANY and their respective successors and assigns. The rights of the COMPANY under this Agreement shall not be transferable or assignable by the COMPANY except to a person, firm or corporation succeeding to the entire manufacturing assets of the COMPANY.

13. In the event of bankruptcy of the COMPANY or a reorganization of the COMPANY under the Bankruptcy Act, all rights herein transferred and sold to the COMPANY shall automatically revest in the HOLDERS.

IN WITNESS WHEREOF the parties have caused their respective names and seals to be hereunto and to another instrument of like tenor signed and affixed as of the day and year first above written.

SUPER SAGLESS SPRING CORPORATION

By ALEX J. KATZ,
ALBERT M. SPOUND,
JOSEPH SPOUND,
MORRIS LOEB.

PLAINTIFFS' EXHIBIT 18.

April 1, 1961

Super Sagless Spring Corporation
East 46th Street
Bayonne, New Jersey

Attention: Mr. Alex Katz

Gentlemen:

Reference is herewith made to a License Agreement executed of even date herewith, under which you are permitted to manufacture, use and sell an invention relating to a head rest hidden in the back of a chair which rises automatically with accelerated action, a patent application for which has been filed in the United States Patent Office on February 15, 1961, Serial No. 89402.

As further inducement for you to execute said License Agreement of even date herewith, which inducement we acknowledge that you have relied upon, the undersigned, as the Holders of all right to said Invention, hereby agree that the right granted under said Agreement shall be the sole and exclusive right to said Invention and any patent which may be issued on said application and shall include, without limitation, the right to sublicense on the terms and conditions set forth in said Agreement.

The Holders and the Company further agrees and consent to be joined in any action on account of infringement of or by the Invention or any patent which may be issued on said patent application if the moving party deems such joinder necessary or advisable in connection with the defense or prosecution, as the case may be, of any such action. The Holders

and the Company agree to co-operate in any such defense or prosecution.

The Company agrees that it will use its best efforts to initiate the manufacture, sale and use of said Invention.

Very truly yours,

ASSENTED TO:

SUPER SAGLESS SPRING CORPORATION

By ALEX J. KATZ.

ALBERT M. SPOUND

JOSEPH SPOUND

MORRIS LOEB

PLAINTIFFS' EXHIBIT 19.

April 1, 1961

Mr. Alex Katz
Super Sagless Spring Corporation
East 46th Street
Bayonne, New Jersey

Dear Mr. Katz:

To assist you in the manufacture of the Invention embodied in the application for Letters Patent filed February 15, 1961, Serial No. 89402, of which you are the exclusive licensee, it is agreed that if Super Sagless Spring Corporation does not

manufacture and sell or use twenty thousand (20,000) sets of improved chair fixtures embodying said Invention during the twelve (12) month period ending March 30, 1962, we will pay you Two Thousand Eight Hundred (2,800) Dollars.

In the event a fixture is introduced for sale in the market in commercial quantities which competes directly with said Invention by reason of its similarity and design to said Invention and which comprises a head rest for a reclining chair with means for mounting said head rest for projection from concealed position within the back rest to exposed useful condition and operating means for automatically projecting the head rest only during the initial motion of the back rest from sitting to reclining position, and the price of said fixture is such as to result in a competitive disadvantage to the sale of the Invention, we will consent to adjustment in the amount due us measured by the sale of sets of Improved Chair Fixtures under the following terms and conditions:

A written statement will be delivered to us setting forth the nature of the competitive fixture, the present and foreseeable future market situation with respect to the fixture and invention, including specifically an analysis of the projected adverse effect on the sale of the Invention by reason of any price differential between the Invention and the competitive fixture, and your recommendation of the minimum adjustment in price to achieve competitive balance between the Invention and the competitive fixture, taking into account all factors of competition normally prevailing in the reclining chair hardware industry, such as comparative quality and efficiency of the two mechanisms and the capacity of the producers to meet delivery commitments.

Upon receipt of such statement, the amount to be paid under the License Agreement executed of even date herewith, measured by the sale of each set of Improved Chair Fixtures shall be reduced by one-half (½) of the price reduction pro-

posed in said statement. The balance of said price reduction or any part thereof shall be made only with our written consent, which consent will not unreasonably be withheld. In no event shall the amount to be paid under the License Agreement, measured by the sale of sets of Improved Chair Fixtures, be reduced to less than Thirty-Five (35) Cents per set.

In the event that we desire to make use of the Invention outside the United States, you agree that you will grant us a license to manufacture, use and sell such invention outside the United States and agree that so long as such manufacture, sale or use outside the United States does not compete with your business, there will be no payment required on account of such license.

It is further agreed that upon the termination of said Agreement, the Holders shall have the option to acquire the sole and exclusive ownership of any trade-mark or trade name which may be adopted by you in connection with the Invention, including specifically the name and trade-mark "Hide-A-Rester". The Holders agree that such option shall not be effective unless the Holders shall have reimbursed you for your expenses in connection with the development and registration of any such mark. In the event that the option is exercised, you will execute any instrument or instruments necessary to effect the transfer of any such names or trade marks to the Holders.

This instrument also binds Joseph Spound and Morris Loeb, the other Holders under the License Agreement.

Very truly yours,

ALBERT M. SPOUND

ASSENTED TO:

SUPER SAGLESS SPRING CORPORATION

By ALEX J. KATZ.

Appendix B.

UNITED STATES DISTRICT COURT.
DISTRICT OF MASSACHUSETTS.

ALBERT M. SPOUND ET AL.,

CIVIL ACTION
v. No. 70-1825-F.

MOHASCO INDUSTRIES, INC., ET AL.,

Memorandum.

May 16, 1975.

FREEDMAN, D.J.

This contract/patent infringement case was tried before a jury for ten days in May, 1974. The matter was submitted to the jury on special verdicts pursuant to Fed. R. Civ. P. 49(a).[1] The answers on the contract issues and infringement were properly the province of the jury and the answers stand as verdicts on those issues. The issue of the validity of the patents and related questions of law were reserved until after a transcript had been prepared and the parties had submitted briefs and requests for findings of fact and conclusions of law. The Court hereinafter enters its rulings on those questions of law.

[1] A copy of the special verdict questions and answers is appended hereto as Appendix "A".

VALIDITY OF THE PATENTS.

Defendants contend that the patents in suit[2] are invalid as anticipated, 35 U.S.C. § 102, and obvious, 35 U.S.C. § 103. While the question of validity is never a simple one, in a jury case it takes on added complexity since some of the considerations are clearly factual while the ulitmate finding is one of law. *Graham* v. *John Deere Co.*, 383 U.S. 1, 17 (1966).

Defendants treat this issue as one which the Court must address under Fed. R. Civ. P. 52(a) and enter independent findings of fact as well as conclusions of law. Plaintiffs, on the other hand, appear to take the position that the jury's answer to question 18[3] contains all the factual inquiry that is necessary and that validity is merely a legal conclusion mandated by these jury findings. The Court has grappled with this issue for some time before undertaking to answer this question. Some further discussion seems to be in order.

A. *Validity under 35 U.S.C. § 103.*

The starting point for any discussion of patent validity under § 103 (defendants' principal basis for their charge of invalidity) is *Graham* v. *John Deere Co.*, *supra*, the case which first construed this section of the patent laws which had been added by Congress in 1952.[4]

[2] United States Patent No. 2,884,992 ("'992"); United States Patent No. 2,958,374 ("'374").

[3] See Appendix "A".

[4] 35 U.S.C. § 103:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

> While the ultimate question of patent validity is one of law, A & P Tea Co. v. Supermarket Corp. [340 U.S. 147] at 155, the § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several *basic factual inquiries.* Under § 103 the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or non-obviousness of the subject matter is determined. *Id.* at 17 (emphasis supplied).

Since this case was tried before a jury it would seem that the "factual inquiries" to which the *Graham* case points are porperly the function of a jury. The legal conclusion of validity, *vel non,* then becomes a question for the Court. The decided cases make it less than clear exactly what functions a court and jury are to play in a determination of validity under § 103.[5] But one thing is evident: this is not a situation, as urged by defendants, in which the Court makes findings of fact and conclusions of law under Fed. R. Civ. P. 52(a).[6] The First Circuit has indicated that the question of obviousness is one of fact. *Koppers Company* v. *Foster Grant Co.*, 396 F. 2d 370, 372 (1st Cir. 1968):

> In this situation, although, within limits, a question of law, the determination whether a discovery of a new combination is or is not obvious must be a question of fact.

[5] *See, e.g., Swofford* v. *B & W, Inc.*, 395 F. 2d 362 (5th Cir.), *cert. denied* 393 U.S. 935 (1968); *Bentley* v. *Sunset House Distributing Corp.*, 359 F. 2d 140 (9th Cir. 1966).

[6] The Court would have been in a position to make Rule 52(a) findings on fact issues which had not been submitted to the jury, Fed. R. Civ. P. 49(a). This is unnecessary since the questions of fact were before the jury.

While that case was not tried before a jury it defines the question of obviousness as one for the trier of fact.[7] *See, also, Nashua Corporation* v. *R.C.A. Corporation,* 431 F. 2d 220, 222 (1st Cir. 1970); *General Instrument Corporation* v. *Hughes Aircraft Co.*, 399 F. 2d 373, 384 (1st Cir. 1968).

In this case the jury was instructed on the basic factual considerations which must be examined before a determination of obviousness or non-obviousness is made. The prior art was before them as well as the exhaustive testimony of plaintiffs' and defendants' experts. The Court is statisfied that the jury's finding of non-obviousness in answer to question No. 18 fulfills the factual requirements of a § 103 determination.[8]

Based upon the jury's finding the Court concludes that patents '992 and '374 are valid under the tests of § 103.

B. *Validity under 35 U.S.C. § 102(a).*[9]

The defense of invalidity based upon anticipation requires that a single prior art reference disclose all of the elements of the accused device or the substantial equivalents of these elements. In order for the jury to have made its findings with respect to non-obviousness it was necessary to impliedly determine that no one prior art device anticipated either the '992 or the '374. A defense based upon § 103 is broader than one

[7] *See, Flour City Architectural Metals* v. *Alpana Aluminum Products, Inc.*, 454 F. 2d 98, 106, n. 8 (8th Cir. 1972), for the leading cases on this issue from the various circuits. *See,* 2A Deller, *Deller's Walker on Patents,* Supp. 1973, 20 et seq. (2d ed. 1964).

[8] This is correct unless as a matter of law the Court finds that the invention was obvious. Upon a review of the record the Court does not so find.

[9] 35 U.S.C. § 102(a): A person shall be entitled to a patent unless —
(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or . . .

which relies upon § 102. The language of § 103 makes this plain.[10] Thus a finding of non-obviousness under § 103 precludes a § 102 defense.

C. *Double Patenting.*

Defendants have raised a defense to the validity of '374 based upon the judicially created doctrine of "double patenting." This defense, hinted at in earlier cases, was definitively articulated by Mr. Justice Jackson in *Miller* v. *Eagle Manufacturing Company*, 151 U.S. 186 (1894):

> If upon a proper construction of the two patents . . . they should be considered as covering the same invention, then the later must be declared void, under the well-settled rule that two valid patents for the same invention cannot be granted either to the same or to a different party. *Id.* at 196-7.
>
> . . . . . .
>
> It is settled also that an inventor may make an improvement on his own invention of a patentable character, for which he may obtain a separate patent . . . [and] that a later patent may be granted where the invention is clearly distinct from, and independent of, one previously patented. *Id.* at 199.

The reason for this rule is to prevent the extension of a patent monopoly beyond the 17 years permitted by the statute. *Weatherhead Company* v. *Drillmaster Supply Company*, 227 F. 2d 98, 102 (7th Cir. 1955); *Tractor Supply Co.* v. *International Harvester Company*, 155 U.S.P.Q. 420, 426 (N.D. Ill. 1967).

[10] n. 4, *supra.*

The question of double patenting arises in a situation where, as here, there are co-pending patent applications by the same inventor.[11] In such a case the applications are not prior art as to each other for purposes of patentability under 35 U.S.C. §§ 102 and 103,[12] but there must be patentable differences in order for two valid patents to issue on these applications. *Briggs* v. *M & J Diesel Locomotive Filter Corp.*, 342 F. 2d 573 (7th Cir.), *pet. for cert. dismissed* 382 U.S. 801 (1965); *Southern Implement Mfg. Co.* v. *McLemore*, 350 F. 2d 244, 247 (5th Cir. 1965); *Tractor Supply Co.* v. *International Harvester Company, supra,* at 424.

The issue in this case turns upon whether claim 1 of '374 represents a patentable difference of the claims of '992. If not, '374 is invalid despite the jury's findings and the Court's conclusions based upon §§ 102 and 103.

In analyzing the patentability, *vel non*, of '374 over '992, the Court deems it helpful to examine the testimony of plaintiff and co-inventor Albert M. Spound as well as that of plaintiffs' expert, Joseph Harrington.

I. Albert M. Spound:

Tr. 1-64:
Q. You mentioned the 374. That is another patent, and that is Exhibit 5?
A. Yes, sir.
Q. You do not have a chair here in the courtroom at the moment of that, but can you tell us what the 374 device was?

[11] Patent No. 2,884,992 applied for — January 17, 1958; granted — May 5, 1959.

Patent No. 2,958,374 applied for — October 24, 1958; granted — November 1, 1960.

[12] It should be noted that '992 and '374 were processed by the same examiner; '992 was cited by the examiner in processing '374 and was referred to in rejecting certain of the claims in the original '374 application.

A. The 374 was an alternative mechanical method of driving the headrest up and holding it in a useful position. It would function about the same way as the white chair does, the 992. The difference being in the mechanical means by which it is done.

Tr. 1-65: Q. Is it true the 374 was an improvement on the 992?
A. Yes.
Q. You got a patent also on the 374?
A. Yes, sir.

Tr. 4-69: Q. Is it true that the only difference between the chairs in the 992 and the 374 is in the type of lost motion device used?
A. That is correct.

II. Joseph Harrington, plaintiffs' expert:

Tr. 6-58: Q. You indicated yesterday, I believe, or Friday that both the lost motion device or dwell device used in 374 and the lost motion device used in 992 were well known expedients in technology back in 1958; is that correct, sir?
A. I don't recall making that statement.
Q. Is it not true that in 1958 and perhaps a hundred years prior to that time or hundreds of years earlier lost motion devices had been made with slots and pins as the type that is employed in 992?

A. That is right. These lost motion devices are well-known components of machinery.
Q. Isn't it also true that the lever in the link chain used [in] the 374 mechanism is a well-known device that has been used perhaps for hundreds of years to get dwells or so-called lost motions?
A. By itself, that is not an unfamiliar configuration.
Q. Do you agree with me, sir?
A. Yes.

A comparison of claim 1 of '374 and claim 9 of '992 confirms that the only difference between the two inventions is the configuration of the lost motion device.[13] Since lost motion devices are old, a substitution of one such device for an equivalent would not seem to amount to a patentable difference.

Plaintiffs correctly assert that a patent enjoys a presumption of validity, 35 U.S.C. § 282, and to overcome such a presumption defendants must bear a heavy burden of proof. This is especially true where, as here, the earlier patent was processed by the same patent examiner and was used by him in disallowing some of the initial claims in the application for the '374.

The Court has given full effect to the presumption, but is nonetheless constrained to conclude that the '374 discloses no patentable invention over the '992 and is invalid for double patenting.

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[13] In this connection, it should be noted that "parallelogram type of linkage" in the '992 and "parallel bar linkage" in the '374, are equivalent structures according to the testimony of Joseph Harrington at Tr. 6-51.

ADDITIONAL DEFENSES.

Patent Misuse.

Defendants had originally raised an issue of patent misuse. They appear to have abandoned this defense, however, since it was argued only briefly in their pre-trial brief and not at all in their post-trial brief. At any rate, the Court has found no evidence of such misuse and summarily rejects this defense.

35 U.S.C. § 112.

The Court similarly disposes of this defense in summary fashion. I have examined the patents in suit in light of the provision of § 112 which requires ". . . a written description of the invention in such full, clear, concise and exact terms as to enable any person skilled in the art . . . to make and use the same. . . ." Defendants' contentions that the patents do not fulfill that requirement and that the claims do not ". . . distinctly [claim] the subject matter which the applicant regards as his invention . . ." are without merit. The Court finds that the language of the patents is adequate to withstand a challenge based upon § 112.

DAMAGES.

The Court leaves undisturbed the finding of the jury on the issue of contract damages. (Question No. 8 of special verdicts — $106,146).

Damages for Infringement.

The Court asked the jury to set a reasonable per chair royalty. (Question No. 16). A later question (No. 17b) asked the total damages for infringement. A reasonable royalty was

found to be $3.75. Total damages for infringement were set at $500,000. Since the number of devices sold by defendants was stipulated to be 236,018 as of the time of trial, and damages for infringement may be no less than a reasonable royalty, 35 U.S.C. § 284, the damages for infringement may be no less than $885,067.50 (236,018 x $3.75) as of the date of trial.

Plaintiffs urge that they are entitled to $500,000.00, plus a per chair royalty of $3.75, = $1,385,067.50. The Court rejects this approach for several reasons.

In my instructions I told the jury that a "[r]easonable royalty is a useful tool for making . . . [the damage] calculation." In order to ensure that the jury did not return damages less than a reasonable royalty, a question (No. 16) was included to establish a reasonable royalty. From the sequence of the instructions and the context of the instructions, it was clear that the jury was to use the answer to Question No. 16 in arriving at the answer to Question No. 17b. One possible explanation for the discrepancy is that the jury had forgotten the number of infringing devices. Earlier in its deliberations it had asked the Court the number of devices sold under the license agreement. Since this information was stipulated by the parties the Court gave the jury that part of the stipulation, but no more. It seems evident that the jury did not know the number of infringing devices and thus attempted to arrive at a reasonable figure. The estimation was too low; the minumum damages, given the answer to Question No. 16, were $885,067.50. Question No. 16 was included for the very purpose for which the Court now uses it: to prevent the awarding of damages which would be less than a reasonable royalty.

The Court will disregard the answer to Question No. 17b since it is inconsistent with the answer to Question No. 16 and enter an award for infringement based upon a reasonable royalty of $3.75 for each of the infringing devices.

Foreign License.

Defendants contend that damages for infringement are only due from the date of plaintiffs' retroactive foreign license — December 19, 1973. 35 U.S.C. § 184 requires that a person obtain a license from the Commissioner of Patents before filing an application for a foreign patent if the foreign application is made within six months of the application for the United States patent. Section 185 provides that a failure to comply with the § 184 requirement renders a patent invalid. However, § 184 specifically allows such licenses to be granted retroactively if the application is "inadvertently filed abroad."

In this case an application was filed abroad through inadvertence and the license of December 19, 1973 was made retroactive to July 5, 1958.

Defendants have argued vigorously that the policy of §§ 181-185 is best served by limiting damages to the period after the date of the retroactive license. Nothing in the statute, the license or in the case law supports this position. Further, it would be a particularly harsh result for such inadvertence.

The Court finds that plaintiffs have complied with the foreign licensing requirement and thus hold a valid license retroactive to July 5, 1958.

FURTHER RELIEF.

Plaintiffs have requested treble damages (35 U.S.C. § 284) and attorneys' fees (35 U.S.C. § 285). Upon a review of the evidence in the case and of the history of the litigation, the Court is not of the opinion that this is the kind of case which merits such relief. Accordingly, plaintiffs' requests are denied.

The Court will grant the injunctive relief sought by plaintiffs to the extent that it is appropriate in light of the Court's finding of invalidity with respect to '374.

The plaintiffs shall submit a proposed form of judgment in accordance with the foregoing rulings of law. Defendants shall provide the number of sets of devices for inclusion in the final judgment. Both parties may submit such memoranda as they deem helpful to the Court for its order of judgment. Such filings shall be made within ten days of the date of this memorandum.

FRANK H. FREEDMAN,
United States District Judge.

UNITED STATES DISTRICT COURT.
DISTRICT OF MASSACHUSETTS.

ALBERT M. SPOUND ET AL.,

CIVIL ACTION
v. No. 70-1825-F.

MOHASCO INDUSTRIES, INC., ET AL.,

Special Verdict.

[*Federal Rule of Civil Procedure 49(a), 28 U.S.C.*]

WE, THE JURY, IN THE ABOVE-ENTITLED ACTION, UNANIMOUSLY FIND AS FOLLOWS:

Interrogatory	*Unanimous Answer of the Jury*
(1) Does the agreement of Mar. 31/Apr. 1, 1961 (Exhibits 17, 18, 19) grant an exclusive license *only* for patent application 89402?	NO [Yes or No]
(2) Does the agreement of Mar. 31/Apr. 1, 1961 grant an exclusive license with respect to the basic patent '992 and improvement patents as well as to patent application 89402?	YES [Yes or No]

Interrogatory	*Unanimous Answer of the Jury*
(3) As used in the agreement of Mar. 31/Apr. 1, 1961, does the word "Invention" (spelled with a capital "I") refer *only* to the subject matter of the 89402 application and any patent that might be issued thereon?	NO [Yes or No]
(4) As used in the agreement dated Mar. 31/Apr. 1, 1961, does the word "Invention" (spelled with a capital "I") refer to both the subject matter of the 89402 application and the basic and improvement patents?	YES [Yes or No]
(5) Was the subject matter of the agreement for which a $1.00 royalty was to be paid the pop-up headrest chair as covered by the patents in the agreement?	YES [Yes or No]
(6) Was the subject matter of the agreement for which a $1.00 royalty was to be paid *only* the "improvement" contained in the 89402 application or any patent which might issue thereon?	NO [Yes or No]
(7) Has the agreement been breached by the defendants?	YES [Yes or No]

Interrogatory	*Unanimous Answer of the Jury*
(8) If the answer to question No. 7 is in the affirmative, what damages are due the plaintiffs from October 1969 to April 18, 1972, the date of the purported cancellation by the plaintiffs?	$106,146.00 [Amount]
(9) If the answer to question No. 7 is in the affirmative, and assuming that the cancellation of April 18, 1972 was ineffective, what damages are due the plaintiffs under the agreement for the period April 18, 1972 to date?	[Amount]
(10) Does the Futorian Chair infringe claims 5, 9, or 12 of patent '992?	YES [Yes or No]
(11) If the answer to question No. 10 is in the affirmative, what claim or claims are so infringed?	5, 9, 12 [Claim Nos.]
(12) Does the Futorian Chair infringe claim 1 of patent '374?	YES [Yes or No]
(13) Does the Super Sagless mechanism infringe claims 5, 9, or 12 of patent '992?	YES [Yes or No]

Interrogatory	*Unanimous Answer of the Jury*
(14) If the answer to question No. 13 is in the affirmative, what claim or claims are so infringed?	5, 9, 12 [Claim Nos.]
(15) Does the Super Sagless mechanism infringe claim 1 of patent '374?	YES [Yes or No]
(16) What do you find as a reasonable per chair royalty to be paid by the defendants for infringement of patents '992 or '374?	$3.75 [Amount per chair]
(17) If you have found that defendants have infringed one or more of the claims of the patents in suit, what damages do you find? —	
(a) If there was never an agreement in effect, what are the damages from October 1969 to date?	[Amount]
(b) If there was a valid agreement, but it was cancelled in April 1972, what are the damages for infringement from April 1972 to date?	$500,000.00 [Amount]
(18) Do you find that the Spound inventions of '992 or '374 were not obvious	

Interrogatory	*Unanimous Answer of the Jury*
to a person with ordinary skill in the furniture art when the inventions were made?	YES — Not Obvious [Yes or No]

THOMAS A. HILLS,
Foreman.

Dated: May 24, 1974.

Appendix C1.

United States Court of Appeals for the First Circuit

No. 75-1385

ALBERT M. SPOUND ET AL.,
PLAINTIFFS, APPELLEES,

v.

MOHASCO INDUSTRIES, INC., ET AL.,
DEFENDANTS, APPELLANTS,

No. 75-1386

ALBERT M. SPOUND ET AL.,
PLAINTIFFS, APPELLANTS,

v.

MOHASCO INDUSTRIES, INC., ET AL.,
DEFENDANTS, APPELLEES.

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS
(HON. FRANK H. FREEDMAN, *U.S. District Judge*)

Before COFFIN, *Chief Judge,*
ALDRICH and CAMPBELL, *Circuit Judges.*

Daniel O. Mahoney and *George L. Greenfield,* with whom *Reginald H. Howe, Palmer & Dodge,* and *Wolf, Greenfield & Sacks* were on brief, for Mohasco Industries, Inc., et al.

Jerome P. Facher, with whom *Robert F. McLaughlin* and *Hale and Dorr* were on brief, for Albert M. Spound et al.

April 16, 1976

ALDRICH, *Senior Circuit Judge.* This action, initiated in 1970 as a petition for declaratory judgment, and subsequently enlarged, presents a two-pronged claim, for royalties under a 1961 license agreement and, after the agreement was purportedly cancelled by the licensor in 1972, for damages for subsequent infringement of two of the patents that had been licensed. A.M. Spound, although but one of three plaintiffs, will be referred to as plaintiff. He was, at all times, engaged in designing and manufacturing furniture, including upholstered livingroom furniture. The original licensee was defendant Super Sagless Spring Corp., of which one Katz was president. Defendant was at all times engaged, inter alia, in making metal furniture components. There are two other, connected, corporate defendants, one of which, Mohasco Industries, Inc., a furniture manufacturer, acquired the Super Sagless stock in 1963. For simplicity, the defendants may be treated as one. Defendant's position is that nothing was due under the agreement, and that it was improperly cancelled, but that if, in fact, it was properly cancelled, the patents were

invalid and not infringed. The case was tried to a jury, which answered special questions, all favorably to plaintiff. After some modification in plaintiff's disfavor, a judgment was entered determining, inter alia, that the first patent was valid and infringed and that the second was invalid, and assessing damages for breach of the agreement and for infringement. Both sides appeal.

In 1957 plaintiff conceived the idea of a reclining livingroom chair which would have a headrest that was concealed within the back when the chair was upright, thereby presenting a low profile, but which would emerge automatically (pop-up) when the user, by leaning back, caused the chair to recline. The chair would also have an extending legrest, but this is not involved. Plaintiff spent a considerable time endeavoring to reduce his idea to practice, and in due course sought, and received, confidential help from Katz. Katz introduced plaintiff to one Martin, a mechanical engineer. On September 5, 1957, plaintiff filed an application, and on August 2, 1960, received Patent No. 2,947,347, Spound, Automatic Projecting Headrest for Reclining Chairs. Meanwhile, on January 17, 1958, Spound and Martin applied for a patent on Reclining Chair Headrest Constructions, which ripened into Patent No. 2,884,992, on May 5, 1959. On October 24, 1958, Martin and Spound filed a further application, Automatically Projectible Headrest, receiving Patent No. 2,958,374 on November 1, 1960. Finally, Spound, alone, filed on February 15, 1961, Application No. 89,402, Headrest for Reclining Chairs Including Latching Means. This application was rejected on July 14, 1961, on the basis of '374 and a legrest patent cited by the examiner, and was not pursued.

Briefly, '992 was an improvement in result over '347; '374 was an improvement over '992 in internal operation, and '402 principally added a latch to prevent accidental depression of the headrest. '347 was never manufactured. '992 was well

received and, commencing in 1958, was sold by plaintiff and various licensees in substantial quantities, defendant making most of the mechanisms. However, the concept was better than the product. Functional difficulties resulted in so many returns that the various chair manufacturers lost interest, and in the early '60's the market dried up. It was anticipated that the operational faults could be remedied. This, however, did not occur for a long time.

The parties had long considered a royalty basis license for defendant, and in January, 1961 negotiations came to a head. During the next two months plaintiff and Katz discussed terms, and their counsel discussed form. Besides general protection of their clients, it is apparent that counsel had special matters in mind. One of these was that plaintiff's receipts should be considered capital gains. Another was that defendant wished separate documents, so that it could exhibit only part of the agreement to an interested competitor. In retrospect, it seems that the handling of these subsidiary matters may have been what led to the present difficulties. Evidence, duly objected to by defendant on the ground of the parol evidence rule, indicated that the principals intended that defendant should have an exclusive right to manufacture the mechanism for plaintiff's chair in any form, and was to pay a single royalty of one dollar a set irrespective of what patents were involved, so long as that right was protected, so that to the extent the agreement appears more limited it was simply faulty draftsmanship. Under the circumstances of this case, where defendant is now claiming the apparent windfall of having to pay nothing, this is an appealing contention. The question is, is it open?

[In a somewhat lengthy addendum to this opinion we review the merits of the parties' analysis of a license agreement entered into on April 1, 1961 and the events attending on its execution, concluding that the jury could warrantably

find in accordance with plaintiff's contentions. Because no questions of law are involved, but only highly subjective facts of no interest to anyone but the parties, no purpose would be served by including this in the permanent reports, and the addendum will be retained in our file of unpublished opinions.]

It may be unfortunate for defendant, particularly in light of the jury's finding a fair royalty in the '70's to be $3.75, rather than the earlier figure of $1.00,[1] that, like Aesop's dog who thought it saw another bone in the water, it overreached and lost what it had, but, as defendant's brief said of plaintiff in another connection, he "made a deliberate tactical choice . . . [and] must take the consequences." Defendant was not entitled to escape liability on the ground that the agreement permitted free use of the patents. Correspondingly, plaintiff was within his rights in terminating it on account of defendant's default.

We turn to the second part of plaintiff's case, the damage claim for infringement of the '992 and '374 patents subsequent to the 1972 cancellation to the agreement. No appeal is pressed regarding the jury's determination that defendant's chair infringed — the dispute concerns validity. Here we find a singular situation. The sole question put to the jury on this issue was.

> "(18) Do you find that the Spound inventions of '992 *or* '374 were not obvious to a person with ordinary skill in the furniture art when the inventions were made?" (Emphasis suppl.)

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[1] The evidence warranted this finding. The jury was not obliged to find $1.00 to be the "established" royalty on the ground that plaintiff's new licensees were so charged, when they were to have to compete against already entrenched defendant, and the whole matter was in litigation.

As a matter of syntax, this means the invention of '992 or [the invention of] '374.[2] As such, this question corresponds exactly with question 16 —

> "(16) What do you find as a reasonable per chair royalty to be paid by the defendants for infringement of patents '992 or '374?"

But while 18, read with 16, saves from attack the royalty finding, strictly it does not indicate that a particular patent was found to be non-obvious.[3]

The court, however, did not so conclude, but found that the jury had accepted the validity of '992. On reflection, we accept that decision. On the evidence before it, the jury could not have found '992 obvious if it had found '374 non-obvious. We note, also, that defendant does not challenge the judgment below on this basis. However, we are left, in any

[2] This reading accords with the court's charge. In discussing this issue, it said, "The burden of establishing the invalidity of either the Spound '992 or the '374 patents is upon the defendants. . . . In considering whether either of the Spound patents was obvious. . . ." While the jury might not have recalled this language precisely, it certainly did nothing to contradict what would appear to have been the plain meaning of the question put by the court.

[3] It is interesting to note that throughout his briefs plaintiff disregards the "or" in question 18, and reads it as "and;" indeed, pointing out that the "jury's answer was clear and unambiguous." However, where the shoe is on the other foot, and he is anxious to retain the full royalty in case we should affirm the judgment invalidating '374, plaintiff is careful to point out that because of the "or" in question 16, "The answer was $3.75 which clearly indicated that for infringement of *either* the '992 *or* the '374, a royalty of $3.75 was due." (Emphasis in orig.) Such Janus-like perceptions exceed acceptable advocacy.

event, with no jury finding as to the non-obviousness of '374. This situation plaintiff must be deemed to have assented to, since he failed to object to the form of the questions. Hence we are in the position, taking a portion of plaintiff's appeal out of order, simply of passing upon whether the court's independent finding of invalidity, because of double patenting, was warranted.[4]

The court found.

> "A comparison of claim 1 of '374 and claim 9 of '992 confirms that the only difference between the two inventions is the configuration of the lost motion device. Since lost motion devices are old, a substitution of one such device for an equivalent would not seem to amount to a patentable difference." (Footnote omitted.)

Although plaintiff says there is much more to '374, the court had before it not only the testimony of defendant's expert, to which, in all candor, we do not attach great weight in view of much of the prior art he thought material, but significant testimony of plaintiff's own witness. Basically, the difference between '374 and '992 was a different mechanism to accomplish the same result. Plaintiff's expert testified that lost

[4] Frankly, we are happy that this is the case. Whatever may be a party's right to a jury trial, experienced judges who have spent days deciding a single question of obviousness must regret that such questions should be put to an inexperienced jury on a complicated record, to decide in a matter of hours. Even if it be thought that juries are as competent as judges, they must rely on their memories of expert testimony after days of trial, an exceptionally difficult task in this area. In such a circumstance, the least a court owes the parties is "a special duty of vigilance in . . . reviewing verdicts" *cf. Stone* v. *Essex County Newspapers, Inc.*, Mass. 1975, 339 N.E. 2d 161, 170, by which we mean that the court should not hesitate to set findings aside in case of substantial doubt.

motion devices, post, of this character are legion, and a matter of choice. More important, he stated, with relation to '992, that the pop-up concept, with lost motion, was the invention; that "the design of a linkage mechanism to elevate a headrest is a mechanical engineering problem," and that he believed a good mechanic, once given the instructions of what was wanted, could have carried them out.

It may well be that the '374 mechanism was an improvement over '992, but that does not necessarily save the patent. Granted there was no exact anticipation, still there must be something more than an obvious improvement over the prior patent. *E.g.*, *Preformed Line Products Co.* v. *Fanner Mfg. Co.*, 6 Cir. 1964, 328 F. 2d 265, 269-70, *cert. denied*, 379 U.S. 846. We are helped in concluding that '374 could be found invalid by the fact that it failed to remedy a deficiency in '992 which was, in fact, common to both. The operational difficulties that long persisted were due in part to the fact that sufficient dimensions were not supplied. While we would not void either patent for overgenerality, neither do we give them high marks with respect to disclosure. The court's conclusion of invalidity was warranted.

Upholding the jury's finding as to '992 would be easy, but for one problem. The evidence justified, if not compelled, a finding that plaintiff's chair was novel, and of substantial value, and, but for the '347 chair, unique. There was, moreover, a substantial difference between '347 and '992. The latter could be found to be, due to its "dwell," or lost motion feature, much more attractive to the user than, and inventive over, the former, whose headrest did not fully pop up until the final reclining position. The difficulty arises from the court's charge to the jury.

There was no error in charging simply that the burden was on defendant to prove invalidity. Defendant's complaint that the jury should have been told that the presumption of validity

was weakened by the examiner's failure to have all the prior art before him must be overruled in light of the fact that the court never mentioned the presumption at all.[5] However, the court did err, over defendant's adequate objection, in charging the jury that it was to measure obviousness from the standpoint of an ordinarily skilled furniture designer, without taking into consideration the knowledge of a person skilled in the mechanical arts. In so doing, it disregarded the record. Before filing the '992 application, plaintiff obtained the assistance of Martin, a mechanical engineer, and both '992 and '374 name Martin as a joint inventor. Even plaintiff's expert conceded that "the design of a linkage mechanism to elevate a headrest is a mechanical engineering problem." Obviousness as to this was not to be judged solely by the limited skill and assumed knowledge of a furniture manufacturer. *See Graham* v. *John Deere Co.*, 1966, 383 U.S. 1, 35; *Burgess Cellulose Co.* v. *Wood Flong Corp.*, 2 Cir. 1970, 431 F. 2d 505, 509. It is true, as plaintiff points out, that the court admitted into evidence all that defendant offered with respect to prior art, but the ultimate issue was the standard by which obviousness was to be considered.

This erroneous instruction, omitting reference to what would be obvious to a mechanical engineer, would have faulted any jury finding that '374, the improved mechanism patent, was not obvious. '992's validity presents a different question. Here the most innovative aspect was that of the chair, and not the mechanical means. As a practical matter, we must find that a jury could not have found Martin's contribution to this patent inventive unless it had found the chair itself inventive. Since the idea of a pop-up headrest was, strictly, a furniture design concept, the test here was the

[5] We will deal with this whole issue more fully on some later occasion, but for the time being, while the charge in this case was not the best, we do not find it prejudicial on the facts.

knowledge of furniture designers. Accordingly, restricting the jury's consideration to what would be obvious in the furniture art was not prejudicial to defendant with respect to this patent.

Defendant's other points on appeal do not warrant discussion.

Continuing with plaintiff's appeal, we might at first blush, fault the court for construing the dollar figure of general damages for infringement found in answer to question 17 to be simply alternative to the royalty found in question 16, multiplied by the number of chairs produced. However, a cumulative finding, awarding both amounts, could not be supported without an evidentiary basis. We find nothing outside of what is covered by royalties. Plaintiff's charge that defendant has "enjoyed" the patents for fourteen years must be taken with more than a grain of salt. During a number of those years defendant's enjoyment consisted of trying to make them function, for, as it turns out, plaintiff's benefit. For the balance, there is no evidence that plaintiff suffered any loss other than royalties, and for this he is now being compensated.

Finally, plaintiff asserts that he was entitled to penalty relief under 35 U.S.C. §§ 284 and 285. We do not reach those questions. Plaintiff made such a request at the trial and the court responded in its opinion as follows.

> "Plaintiffs have requested treble damages (35 U.S.C. § 284) and attorneys' fees (35 U.S.C. § 285). Upon a review of the evidence in the case and of the history of the litigation, the Court is not of the opinion that this is the kind of case which merits such relief. Accordingly, plaintiffs' requests are denied."

Thereafter the court entered a multi-paragraphed judgment awarding only single damages, and costs that made no provision for attorney's fees. Plaintiff's notice of appeal specified, simply, two paragraphs, viz., the paragraph invalidating the '374 patent, and the paragraph which rejected the jury's finding of general damages. After the 30 days, but not before 60 days, had run, plaintiff successfully moved to amend his appeal to include the sections 284 and 285 matters. He asserted,

> "The plaintiffs' Notice of Appeal did not specifically mention the matters set forth in Paragraphs 3 and 4 of the Substitute Notice of Appeal (the failure to award treble damages and attorneys' fees), there having been no mention of such matters in the June 6th Judgment itself."

The last clause could not be true. This was a final judgment. The monetary award, being in the exact amount represented by the jury's finding, was necessarily a rejection of plaintiff's demand that it be increased. The awarding of "costs and disbursements" was necessarily a denial of extraordinary costs. Nor was plaintiff correct in his further allegation that his specific and limited prior appeal raised matters contained in entirely different paragraphs. *Bach* v. *Coughlin*, 7 Cir., 1974, 508 F. 2d 303 (per curiam); *Ruckman & Hansen, Inc.* v. *Contracting & Material Co.*, 7 Cir., 1964, 328 F. 2d 744; *cf. Donovan* v. *Esso Shipping Co.*, 3 Cir., 1958, 259 F. 2d 65, *cert. denied*, 359 U.S. 907.

An appeal which is enlarged as a matter of substance is a new appeal. *See Bach* v. *Coughlin*, ante. After 30 days from judgment a party can appeal ony in accordance with the final paragraph of F.R.A.P. 4(a), viz., upon a showing of "excusable neglect," the establishment of which is jurisdictional.

Buckley v. *United States*, 10 Cir., 1967, 382 F. 2d 611, *cert. denied*, 390 U.S. 997. Excusable neglect calls for "circumstances that are unique or extraordinary." *Maryland Gas. Co.* v. *Conner*, 10 Cir., 1967, 382 F. 2d 13, 17. *See also* Stern, Changes in the Federal Appellate Rules, 41 F.R.D. 297, 299 ("emergency situations only"). If this includes a mere palpable mistake by experienced counsel, the requirement would be meaningless. We may add that, after the original appeal had been filed, the case remained in the district court only for procedures "in aid of the appeal." *See* Moore's Federal Practice, ¶203.11. We do not believe this includes passing on a motion to enlarge its substance. Finally, the rule makes no provision for plaintiff's contention that the defendant was not prejudiced. Such an exception would be limitless.

Affirmed.

Appendix C2.

United States Court of Appeals
for the First Circuit

No. 75-1385

ALBERT M. SPOUND ET AL.,
PLAINTIFFS, APPELLEES,

v.

MOHASCO INDUSTRIES, INC., ET AL.,
DEFENDANTS, APPELLANTS.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS
(HON. FRANK H. FREEDMAN, *U.S. District Judge*)

Before COFFIN, *Chief Judge*,
ALDRICH and CAMPBELL, *Circuit Judges*.

Addendum to Opinion dated April 16, 1976.

ALDRICH, *Senior Circuit Judge*.

After a number of exchanges, on April 5, 1961, plaintiff's Boston counsel forwarded to defendant's New York counsel a further "revised basic Agreement" and two "letters," stating

that, if acceptable, they were ready for execution. Counsel replied that they were satisfactory, and thereafter they were executed by the parties, the Agreement as of March 31, and the letters, although they recited they were of "even date," as of April 1. This was an irrelevant mistake; it being agreed that the three documents constituted one, integrated document.[6]

No dispute over the agreement arose until 1969, because until then, although defendant asserted that it was working on the problem, the operational kinks were apparently not solved, and no chairs were made. In 1969, without notification to plaintiff, defendant came out with a properly functioning chair, which has been a commercial success ever since. Taxed by plaintiff, defendant asserted that its chair infringed none of plaintiff's patents, but, after some waffling as to its meaning, contended that the 1961 agreement gave it free license to do so in any event. This action resulted.

The preliminary recitations in the March 31 Agreement read as follows.

> "WHEREAS an application has been made by the HOLDERS [plaintiff] in the United States Patent Office on February 15, 1961, Serial No. 89402, for a patent on an invention consisting of a head rest hidden in the back of a chair which rises automatically with accelerated action, hereinafter referred to as the "Invention", and the Invention constitutes an improvement on certain patents hereinafter described, and the Invention when incorporated in a mechanism for use in a reclining chair constitutes, for the purpose of this Agreement, an "Improved Chair Fixture"; and

[6] The full agreement is what we refer to when using the small "a". The use of the capital "A" denotes the March 31 document.

> "WHEREAS the HOLDERS own the entire right, title and interest in and to United States Patent No. 2,884,992, issued May 5, 1959, for Reclining Chair Head Rest Constructions, hereinafter referred to as the "basic patent"; and
>
> "WHEREAS the HOLDERS own the entire right, title and interest in and to the following United States patents: No. 2,947,347, No. 2,952,303, No. 2,958,374 and No. 2,975,826; all relating to reclining chair constructions, hereinafter referred to as "improvement patents"; and
>
> "WHEREAS the COMPANY [defendant] is desirous of obtaining from the HOLDERS a license under the Invention and under any patent which may be issued on said application or for the Invention to manufacture, use and sell the Invention throughout the United States and all foreign countries, on the terms and conditions hereinafter set forth."

The Agreement continued,

> "1. The HOLDERS hereby grant to the COMPANY a license under the Invention and under any patent which may be issued on said application or for the Invention to manufacture, use and sell the Invention throughout the United States and all foreign countries. The COMPANY shall have the further right without payment therefor, but shall not be obligated, to manufacture, use and sell the inventions embodied in the basic patent and the improvement patents solely in connection with the manufacture, use and sale of the Invention hereby licensed."

Paragraph 2 provided that defendant would pay plaintiff,

> "One (1) Dollar for each set of Improved Chair Fixtures sold and delivered or otherwise disposed of by the COMPANY into which the Invention is incorporated."

It further provided that plaintiff might cancel in any year that the amounts payable were less than $10,000, except that defendant must first be given the option of making up the difference.

Paragraphs 3, 4, 5 and 6 obliged defendant to keep records open for inspection, to file written reports and to make timely payments, and provided for cancellation in case of default, and for the obligation to run in favor of assigns. Under paragraph 7 plaintiff warranted the Invention, while paragraph 8 made provision, "[i]n the event of any claimed infringement of the Invention or any patent issued pursuant to said patent application," for alternative arrangements for bringing actions for infringement.

Paragraph 9 read,

> "In the event of any claim or claims made under the patent issued pursuant to said patent application is declared invalid by a Federal District Court to such an extent that the manufacture, sale and use of the Invention can be carried out without infringement of any claim of said patent, no amounts shall thereafter be paid hereunder until the validity of said patent is finally re-established by the entry of a judgment or decree which is not further reviewable through the exhaustion of all permissible applications for rehearings or review by a superior tribunal or by the expiration of time permitted for such applications."

The first April 1, 1961 letter read in part as follows,

> "Reference is herewith made to a License Agreement executed of even date herewith, under which you are permitted to manufacture, use and sell an invention [sic] relating to a head rest hidden in the back of a chair which rises automatically with accelerated action, a patent application for which has been filed in the United States Patent Office on February 15, 1961. Serial No. 89402.
>
> "As further inducement for you to execute said License Agreement of even date herewith, which inducement we acknowledge that you have relied upon, the undersigned, as the Holders of all right to said Invention, hereby agree that the right granted under said Agreement shall be the sole and exclusive right to said Invention and any patent which may be issued on said application and shall include, without limitation, the right to sub-license on the terms and conditions set forth in said Agreement.
>
> . . . . . .
>
> "The Company agrees that it will use its best efforts to initiate the manufacture, sale and use of said Invention."

The second April 1 letter, which provided for a reduction in royalties in case of competition, does not seem presently material.

When plaintiff made claim for royalties on account of defendant's 1961 chair, defendant pointed to the provision in paragraph 1 of the Agreement to the effect that so long as they were used "solely in connection with the . . . Invention hereby licensed," the prior patents could be used without payment

therefor, and to the provision in paragraph 9 that in case of a judicial determination of invalidity of the claims made under "the patent issued pursuant to said patent application . . . no amounts shall thereafter be paid hereunder." It first took the position that the failure of the '402 application to result in a patent justified a reduction in the amount of royalty,[7] but ultimately claimed that it was entitled to use the '402 improvement without charge, in the light of the first WHEREAS clause and paragraph 9, and, similarly, to use the prior patents without charge by virtue of paragraphs 9 and 1. To rebut this, plaintiff sought, and was permitted, to offer parol evidence. Defendant objected that the agreement was unambiguous, and irremediable.

Although the result reached by defendant's interpretation of the agreement seems quite unreasonable, it is not easy to fault its analysis. The clear framework of the agreement, commencing with the first WHEREAS clause, is that all the defendant agreed to pay for was the invention described in the '402 application, which "Invention constitutes an improvement on certain patents hereinafter described." Plaintiff does not meet this problem by its basic argument that "the subject matter of the agreement . . . was not solely the 89402 application." Whatever the total subject matter of the agreement, the only obligation to make payments is under § 2, for the "use of the Invention," and the Invention is plainly, in terms, described in the first Whereas clause as what is embodied in the '402 appli-

[7] There was no error in the admission of Mohasco's president's letter of August 13, 1970. We can agree that it was highly damaging, since, contrary to defendant's position at the trial, it conceded that something was due under the agreement. We disagree with plaintiff's claim that the letter was not an attempt to compromise, but was expressed in terms of defendant's interpretation of the facts, and as such, admissible. *Hiram Ricker & Sons* v. *Students Int'l Meditation Society*, 1 Cir., 1974, 501 F. 2d 550. On the assumption of those facts, the 50 cents offer was not prejudicial.

cation. However awkward some of the subsequent language may be said to be, the agreement is highly resistant to reading plaintiff's ambiguity arguments other than is impermissibly creating a direct contradiction. There is, however, an alternative; what did the parties think of as covered by the '402 application?

As of the date of the agreement, before later cancellations and amendments required by the Examiner to bring its seven claims down to size, the '402 application did not claim merely the minor improvement, a latch. Grandiosely, it included the whole concept of plaintiff's chair. A patent lawyer should have known better than to make such broad claims, which would clearly have led to double patenting. Non constat, however, that the parties could not contract with them in mind. Nor is it a violation of the parol evidence rule to look off the agreement to clarify its intended subject matter. *Cf. Antonellis* v. *Northgate Constr. Corp.*, 1973, 362 Mass. 847, 851; *Robert Indus., Inc.* v. *Spence*, 1973, 362 Mass. 751, 753-54. Where the agreement itself, as here, refers to a written document, this is particularly appropriate. *Cf. Imper Realty Corp.* v. *Riss*, 1970, 358 Mass. 529, 534-35. When the agreement is read in light of the '402 application as it then stood, it is not necessary for plaintiff to claim that the invention disclosed in the application is not the sole basis of the royalty obligation. Rather, by incorporating the application's broad language, the royalty obligation attaches to the use of the "Invention" as thus claimed.

Such an interpretation causes everything to fall into place. For example, the seemingly singular limitation with respect to exclusivity in the first April 1 letter, which, under defendant's narrow interpretation, would apply only to the '402 improvement, and not prohibit licenses to third parties under '992 and '374, thereby exposing defendant to substantial competition, ceases to be inexplicable. Correspondingly,

the obligation imposed on defendant in that letter to further the use of the Invention, which would be of limited benefit to plaintiff if restricted to the '402 improvement, acquires a reasonable meaning. Most important, this reading explains the grant in paragraph 1 of the right to use the prior patents "without payment . . . in connection with the manufacture, use and sale of the Invention hereby licensed." If defendant was to pay for the invention as broadly claimed in the '402 application, there was no point in paying for certain elements of it twice. Instead, including these patents specifically in the agreement was simply a cautionary matter, as indicated by defendant's counsel in one of his negotiating letters.

The only provision needing special comment is paragraph 9. Here we think defendant's contention that the examiner's rejection of the application is equivalent to a judicial determination of invalidity is too facile. As was testified to orally, it is quite apparent on the face of the agreement that the parties failed to contemplate a rejection of the application. If we should assume, what the parties assumed, that the patent were to be granted as sought, a declaration of invalidity, by similar reasoning, would have permitted the "use of the Invention . . . without infringement of any claim of said patent," only if the declaration were that the whole Invention of plaintiff's chair was unpatentable. Admittedly, this a broad construction, which gives short shrift to the principle of double patenting, but so did the preparer of the '402 application. We are aided in making it, when it rounds out the sense of the agreement, by the fact that paragraph 9 was drafted by defendant. On this basis, the actual eventuality, the examiner's cutting the application down to size and then rejecting it as non-inventive, was not a determination that plaintiff's basic chair Invention was unpatentable and freely available to the public. Accordingly, a jury was warranted in finding that defendant was not relieved of the obligation to make payments.

We recognize that our approach to the agreement does not correspond exactly with that of the parties, here, or below, and is somewhat at variance with the form of some of the questions put to the jury. However, the rights that defendant saved were with respect to a directed verdict, and this we must hold it was not entitled to. Of equal importance, the jury's answers corresponded at least largely with our approach, and reached exactly the same result. No purpose would be served in granting a retrial.

Appendix C3.

United States Court of Appeals
for the First Circuit

No. 75-1385

ALBERT M. SPOUND ET AL.,
PLAINTIFFS, APPELLEES,

v.

MOHASCO INDUSTRIES, INC., ET AL.,
DEFENDANTS, APPELLANTS.

Before COFFIN, *Chief Judge*,
ALDRICH and CAMPBELL, *Circuit Judges*.

Memorandum on Petition for Rehearing

Entered May 13, 1976

ALDRICH, *Senior Circuit Judge*. I. The court regrets that in concentrating on the substance of the trial court's charge it misspoke itself, to the extent of possibly creating a false impression. Petitioner is right that the court did speak of a presumption of validity. However, it spoke of it only in terms of a simple burden of persuasion, and not in the heavy patent sense. The net result was that, to the extent there was error

in the charge, it was in the defendant's favor. Defendant is strictly correct, however, in criticizing the opinion, and we will amend it by enlarging the phrase on slip page 8, "never mentioned the presumption at all," to read "never mentioned the heavy presumption which normally attaches to Patent Office decisions," and by omitting footnote 5. The opinion will be further amended by adding immediately thereafter, the following.

> Had such a burden been imposed upon defendant, it would have been appropriate to add defendant's requested qualification, viz., that to the extent there was relevant prior art not considered by the Patent Office, this burden was pro tanto weakened. However, the ordinary burden of persuasion to which the court limited its charge is a minimum that is never diminished. Rather, it "remains upon the alleged infringer througout the proceeding and is in no sense dependent on the character of the proceedings before the Patent Office or the amount of prior art cited to, or considered by, the Patent Examiner." *Chicago Rawhide Mfg. Co.* v. *Crane Packing Co.*, 1975, 523 F. 2d 452, 458, *cert. denied*, U.S. (1/26/76).

II and V. Petitioner's second point we had considered, but had decided not to vocalize further. It is not true that because a mechanical means was involved in '992's improvement over '347 it was only a mechanical — if anything — invention. *Sakraida* does not announce any new principle. Defendant did not complain of the charge in this respect. We are not prepared to say as a matter of law that a close-fitting "pop-up" headrest is but an obvious advance over '119's extending footrest. Particularly we reject the argument in defendant's main brief suggesting plaintiff was in some way

estopped by abandoning the '402 application. Whether plaintiff achieved synergism, or a new and surprising result, or any other expression of the requirement involved in obviousness vel non, we believe was a jury question.

We may add that if there were any serious basis for defendants claim that the invention was '347, to the exclusion of '992, '347 was both owned by plaintiff and included in the license. It would seem to us that a jury that followed the path to find '992 inventive would surely have transferred its conclusions to '347 if that were to be thought the necessary approach. See F. R. Civ. P. 15. Plaintiff might have bracketed defendant more neatly had it included '347 in its complaint, although in the final analysis, had it done so, we believe it would merely have complicated the proceedings to no purpose.

III and IV. The balance of the petition largely reflects a misunderstanding of what we said, and what we held. This agreement was not a perfect agreement. One of the more disruptive features was contributed by defendant. Courts must endeavor to make sense out of a business agreement if it is possible to do so. Particularly must they try when an interpretation is sought which, quite apart from any parol evidence, makes no apparent sense.

The petition for rehearing will be otherwise denied.

By the Court,

DANA H. GALLUP,
Clerk.

United States Court of Appeals
for the First Circuit

No. 75-1385

ALBERT M. SPOUND ET AL.,
PLAINTIFFS, APPELLEES,

v.

MOHASCO INDUSTRIES, INC., ET AL.,
DEFENDANTS, APPELLANTS.

Before COFFIN, *Chief Judge*,
ALDRICH and CAMPBELL, *Circuit Judges*.

Order on Petition for Rehearing

Entered May 13, 1976

The opinion herein, filed April 16, 1976, is amended by striking out the phrase on slip page 8, "never mentioned the presumption at all," and footnote 5, and substituting in the place of said phrase, the following,

> Never mentioned the heavy presumption which normally attaches to Patent Office decisions. Had such a burden

been imposed upon defendant, it would have been appropriate to add defendant's requested qualification, viz., that to the extent there was relevant prior art not considered by the Patent Office, this burden was pro tanto weakened. However, the ordinary burden of persuasion to which the court limited its charge is a minimum that is never diminished. Rather, it "remains upon the alleged infringer throughout the proceeding and is in no sense dependent on the character of the proceedings before the Patent Office or the amount of prior art cited to, or considered by, the Patent Examiner." *Chicago Rawhide Mfg. Co.* v. *Crane Packing Co.*, 1975, 523 F. 2d 452, 458, *cert. denied*, U.S. (1/26/76).

Petition for rehearing denied.

By the Court,

DANA H. GALLUP,
Clerk.

Appendix D.

UNITED STATES CODE, TITLE 35.

§ 102. [Conditions for patentability; novelty and loss of right to patent.]

A person shall be entitled to a patent unless —

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. [Conditions for patentability; non-obvious subject matter.]

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

§ 282. [Presumption of validity; defenses.]

A patent shall be presumed valid. The burden of establishing invalidity of the patent shall rest on a party asserting it.

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liability for infringement, or unenforceability,

(2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition of patentability.

(3) Invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 or 251 of this title,

(4) Any other fact or act made a defense by this title.

§ 284. [Damages.]

Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.

When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed.

The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances.

FEDERAL RULES OF CIVIL PROCEDURE.

Rule 8.

GENERAL RULES OF PLEADING.

(a) *Claims for Relief.* A pleading which sets forth a claim for relief, . . . shall contain . . . (2) a short and plain statement of the claim showing that the pleader is entitled to relief, and (3) a demand for judgment for the relief to which he deems himself entitled. . . .

(f) *Construction of Pleadings.* All pleadings shall be so construed as to do substantial justice.

Rule 52.

FINDINGS BY THE COURT.

(a) *Effect.* In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact

shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 or any other motion except as provided in Rule 41(b).

Rule 54.

JUDGMENTS; COSTS.

(c) *Demand for Judgment*. . . . Except as to a party against whom a judgment is entered by default, every final judgment shall grant the relief to which the party in whose favor it is rendered is entitled, even if the party has not demanded such relief in his pleadings.

Appendix E.

PLAINTIFF'S EXHIBIT 4 70-1257

2,884,992

THE UNITED STATES OF AMERICA

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Whereas Albert M. Spound, of Los Angeles, California, and Joseph Martin, of Bayside, New York; said Martin assignor to said Spound,

PRESENTED TO THE Commissioner of Patents A PETITION PRAYING FOR THE GRANT OF LETTERS PATENT FOR AN ALLEGED NEW AND USEFUL INVENTION THE TITLE AND A DESCRIPTION OF WHICH ARE CONTAINED IN THE SPECIFICATION OF WHICH A COPY IS HEREUNTO ANNEXED AND MADE A PART HEREOF, AND COMPLIED WITH THE VARIOUS REQUIREMENTS OF LAW IN SUCH CASES MADE AND PROVIDED, AND

Whereas UPON DUE EXAMINATION MADE THE SAID CLAIMANT IS ADJUDGED TO BE JUSTLY ENTITLED TO A PATENT UNDER THE LAW.

Now THEREFORE THESE Letters Patent AND TO GRANT UNTO THE SAID

Albert M. Spound, his heirs OR ASSIGNS

FOR THE TERM OF SEVENTEEN YEARS FROM THE DATE OF THIS GRANT

THE RIGHT TO EXCLUDE OTHERS FROM MAKING, USING OR SELLING THE SAID INVENTION THROUGHOUT THE UNITED STATES.

In testimony whereof I have hereunto set my hand and caused the seal of the Patent Office to be affixed at the City of Washington this fifth day of May, in the year of our Lord one thousand nine hundred and fifty-nine, and of the Independence of the United States of America the one hundred and eighty-third.

Robert C Watson

Commissioner of Patents

Disclaimer

2,884,992.--*Albert M. Spound.* Los Angeles, Calif. and *Joseph Martin*, Bayside, N.Y. RECLINING CHAIR HEADREST CONSTRUCTIONS. Patent dated May 5, 1959. Disclaimer filed Oct. 4, 1961, by the inventors. Hereby enter this disclaimer to claims 7 and 8 of said patent.

[*Official Gazette November 14, 1961.*]

May 5, 1959 A. M. SPOUND ET AL 2,884,992

RECLINING CHAIR HEADREST CONSTRUCTIONS

Filed Jan. 17, 1958 6 Sheets-Sheet 6

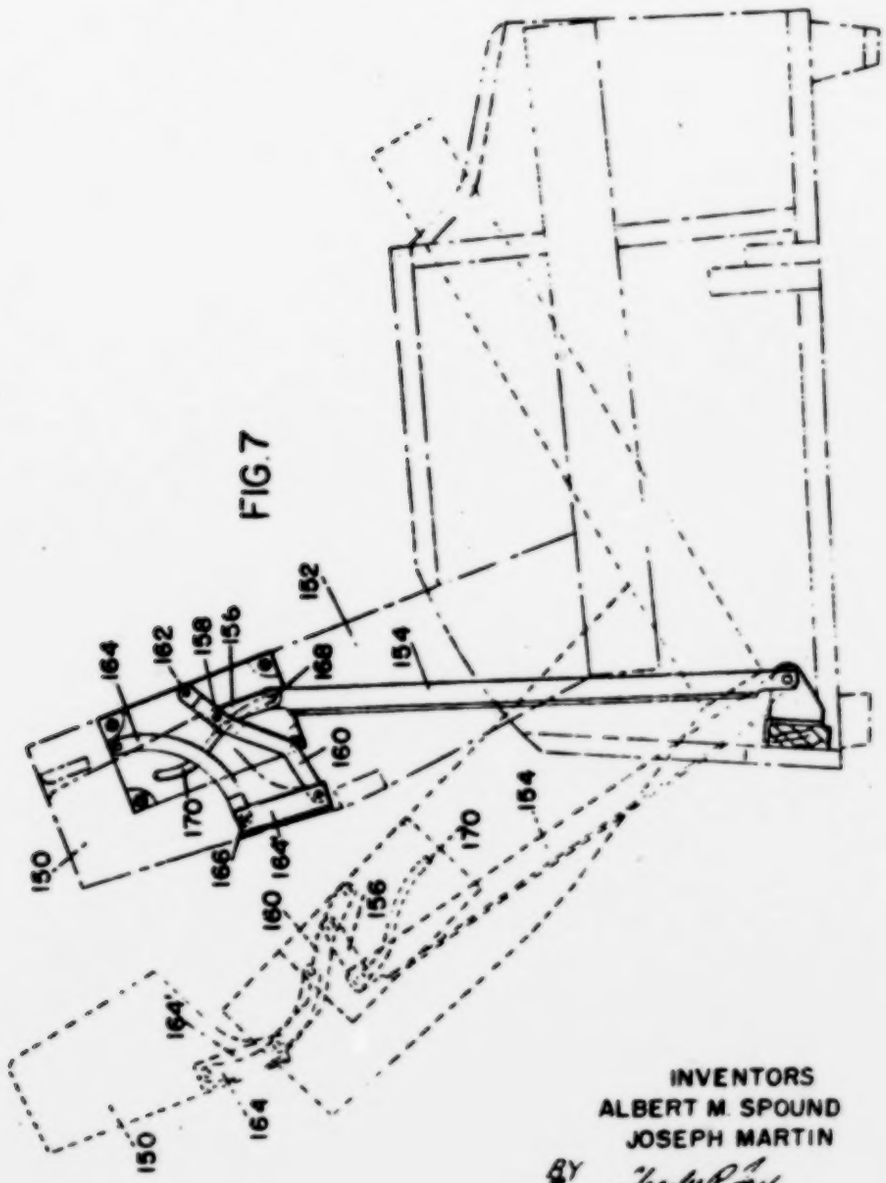


FIG. 7

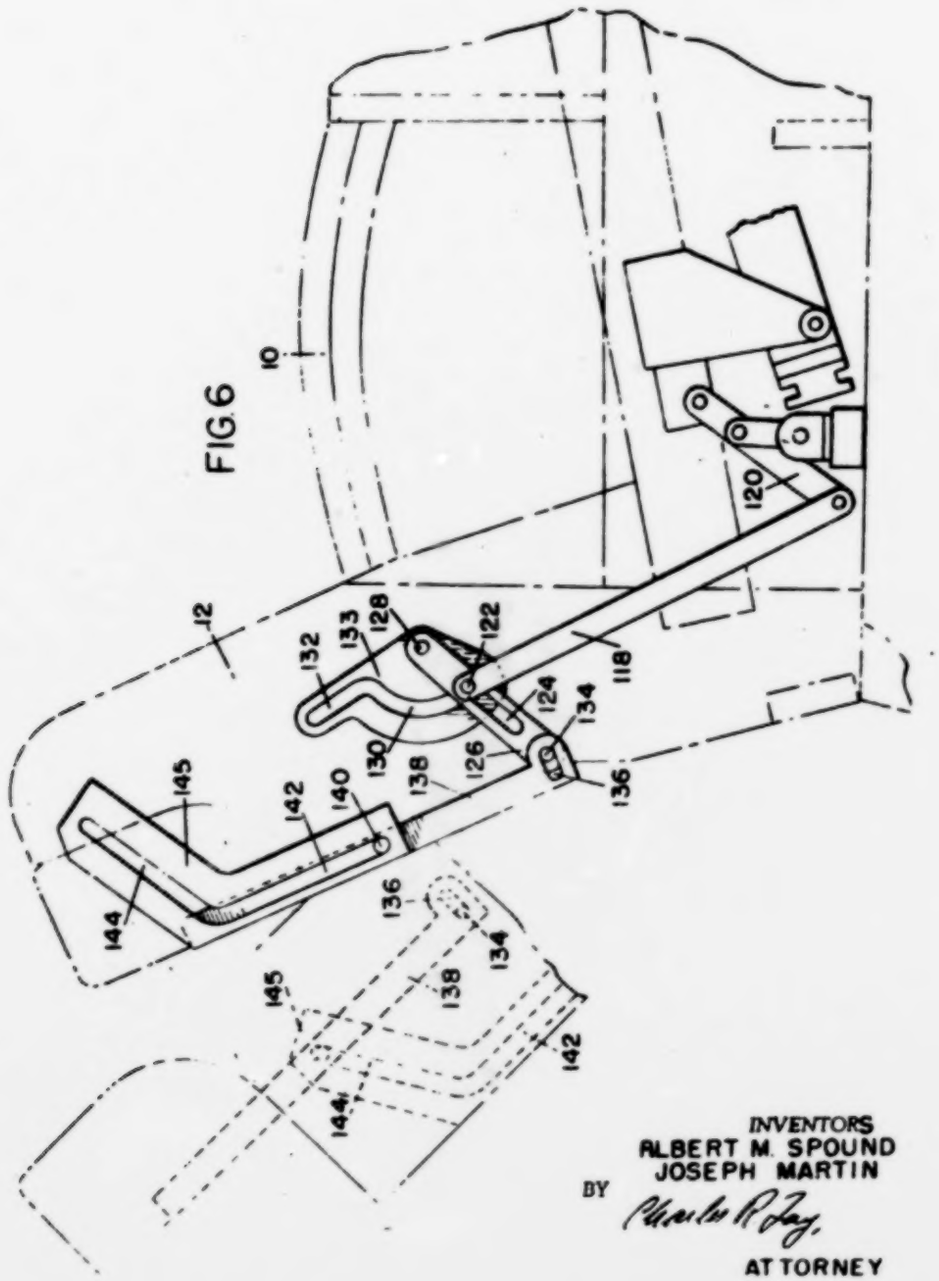
INVENTORS
ALBERT M. SPOUND
JOSEPH MARTIN
BY Charles P. Ray.
ATTORNEY

May 5, 1959 A. M. SPOUND ET AL 2,884,992

RECLINING CHAIR HEADREST CONSTRUCTIONS

Filed Jan. 17, 1958 6 Sheets-Sheet 5

FIG 6



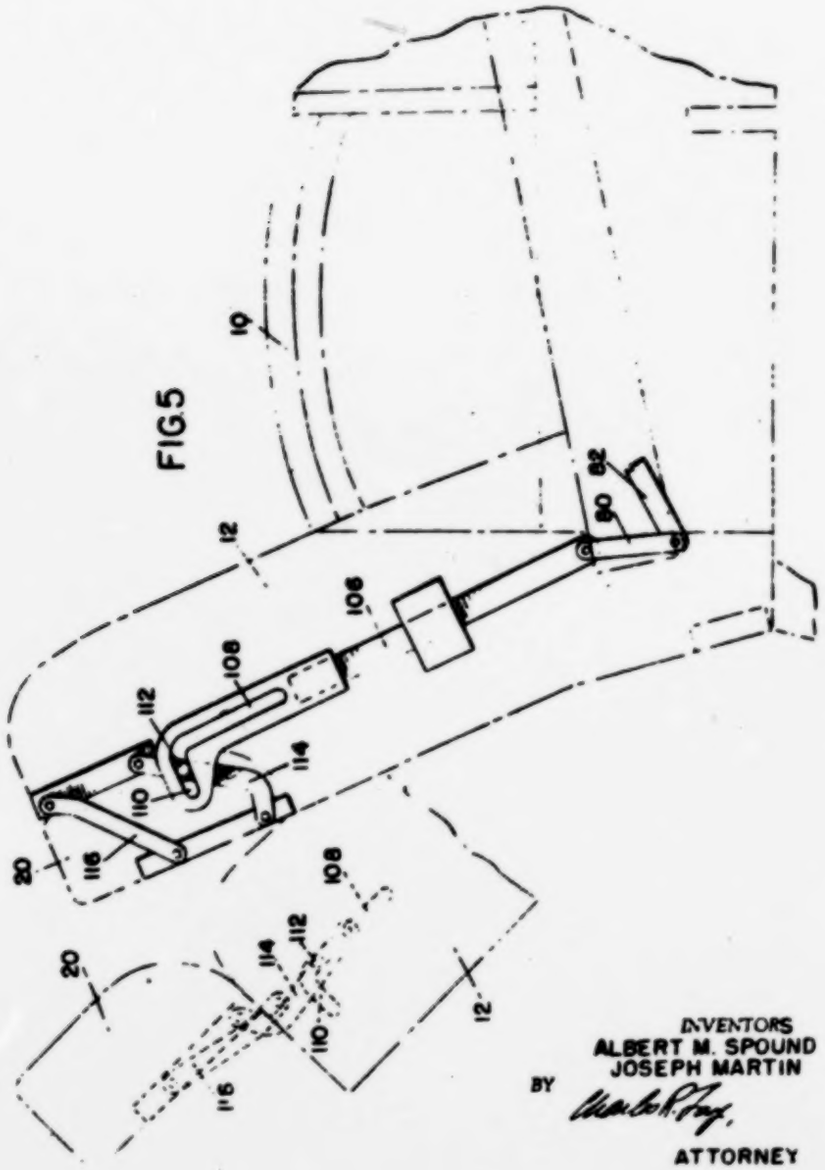
INVENTORS
ALBERT M. SPOUND
JOSEPH MARTIN
BY Charles R. Fay.
ATTORNEY

May 5, 1959 A. M. SPOUND ET AL 2,884,992

RECLINING CHAIR HEADREST CONSTRUCTIONS

Filed Jan. 17, 1958 6 Sheets-Sheet 4

FIG 5



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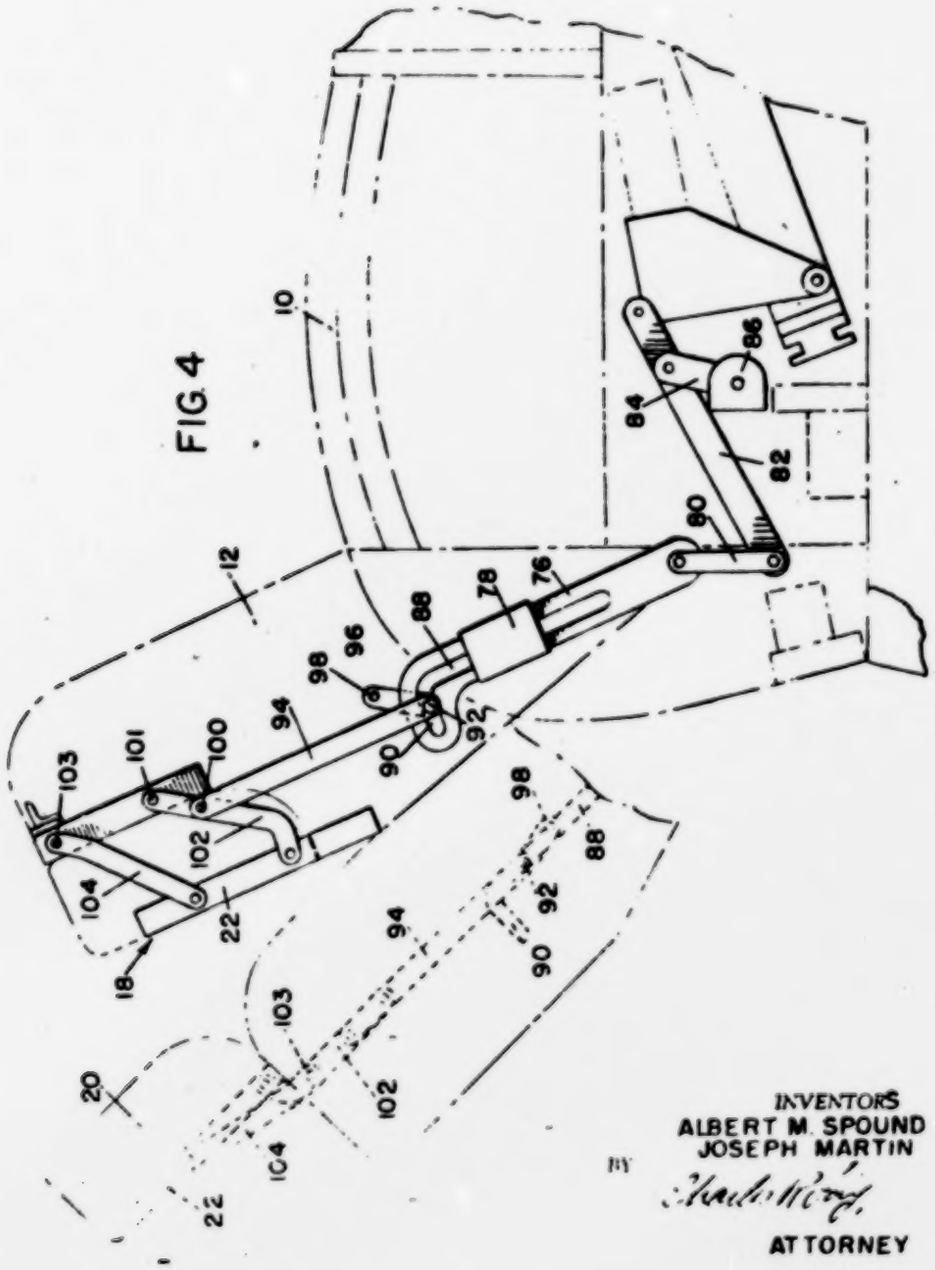
ATTORNEY

May 5, 1959 A. M. SPOUND ET AL 2,884,992

PECLINING CHAIR HEADREST CONSTRUCTIONS

Filed Jan. 17, 1958 6 Sheets-Sheet 3

FIG. 4



INVENTORS
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JOSEPH MARTIN

BY

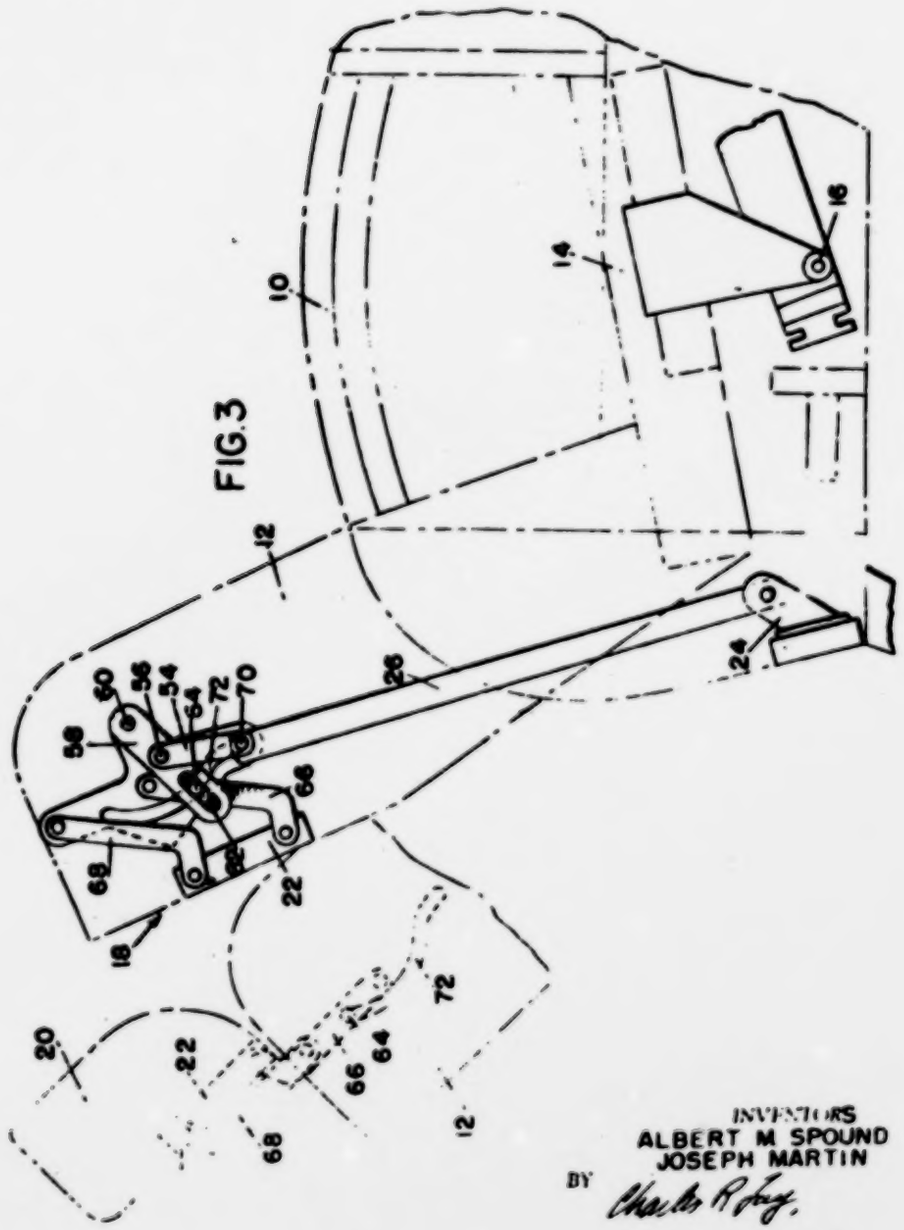
ATTORNEY

May 5, 1959 A. M. SPOUND ET AL 2,884,992

PECLINING CHAIR HEADREST CONSTRUCTIONS

Filed Jan. 17, 1958 6 Sheets-Sheet 2

FIG. 3



INVENTORS
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JOSEPH MARTIN

BY

ATTORNEY

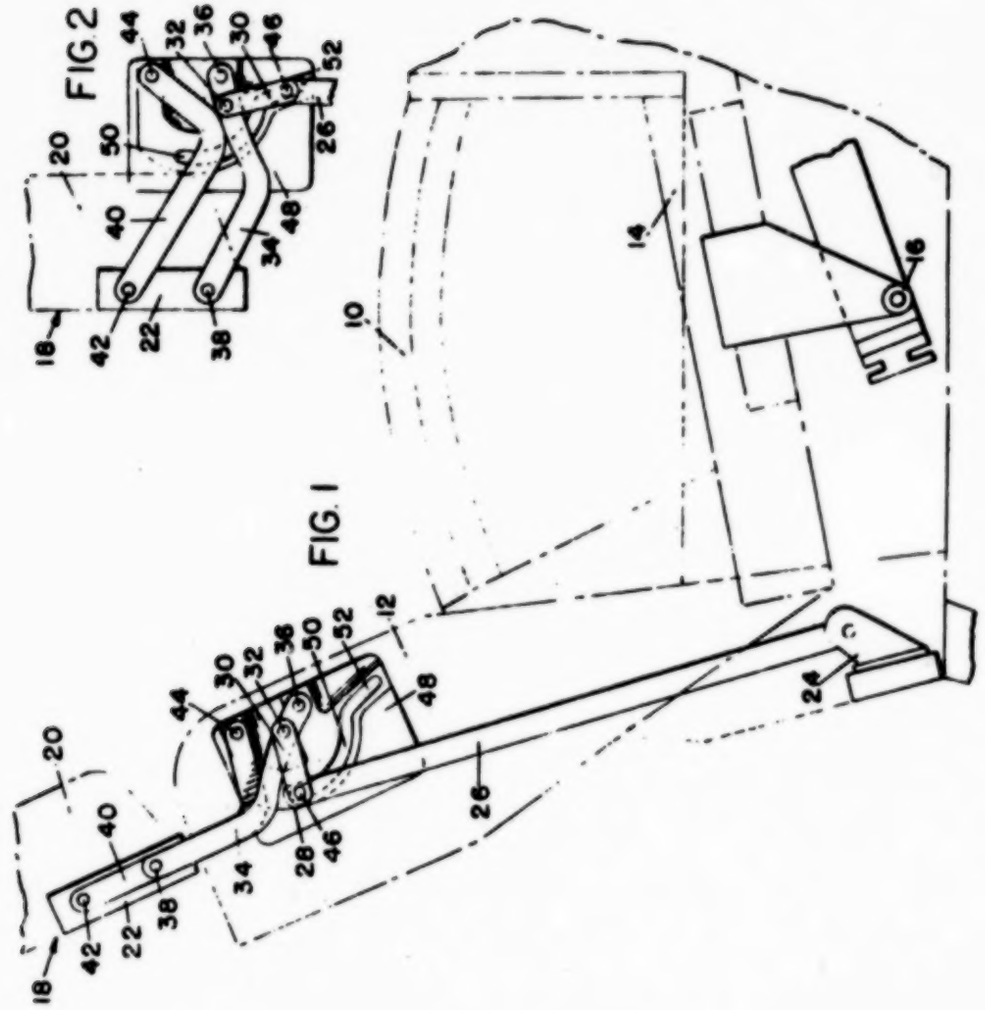
May 5, 1959 A. M. SPOUND ET AL 2,884,992

RECLINING CHAIR HEADREST CONSTRUCTIONS

Filed Jan. 17, 1958 6 Sheets-Sheet 1

FIG. 2

FIG. 1



INVENTORS
ALBERT M. SPOUND
JOSEPH MARTIN

BY Charles R. Fay

ATTORNEY

United States Patent Office 2,884,992 Patented May 5, 1959

2,884,992

RECLINING CHAIR HEADREST CONSTRUCTIONS

Albert M. Spound, Los Angeles, Calif., and Joseph Martin, Bayside, N.Y., said Martin assignor to said Spound

Application January 17, 1958, Serial No. 709,594

12 Claims. (Cl. 155—177)

This invention relates to automatic projecting headrests for reclining chairs, and the principal object of the invention resides in the provision of a reclining backrest for a chair having a relatively movable headrest associated therewith and mechanism automatically projecting the headrest at the top portion of the backrest of the chair as the backrest is moved to a reclining position; and including mechanism for moving said headrest in a forward direction from a concealed position in the backrest so as to generally align the head-supporting surface of the backrest when the headrest is projected in useful position.

Further objects of the invention reside in the provision of an automatically movable headrest as above described and including mechanism for controlling the operation of the headrest so that the forward and upward motion thereof occurs only during the initial portion of the motion of the backrest toward a reclining position, whereby the user may be afforded the use of the headrest almost immediately upon starting to lean backward to move the backrest to reclining position; and the provision of mechanism as above described wherein the reverse motion of the headrest to retracted position occurs only during the final portion of the motion of the backrest toward sitting position.

Other object and advantages of the invention will appear hereinafter.

Reference is to be had to the accompanying drawings, in which

Fig. 1 is an elevational view of one side of the frame of a chair embodying a form of the invention;

Fig. 2 is a view similar to Fig. 1 but showing the parts in a different relation;

Figs. 3, 4, 5 and 6 are similar views each illustrating a modification; and

Fig. 7 is a similar view illustrating a modification.

This invention relates to any type of reclining chair having an automatic projected headrest, but for purposes of illustration, the same has been shown applied to a conventional type of chair which comprises upholstered side arms 10 having located between them a rigid unit comprising in general an upholstered backrest 12 and an upholstered seat 14 fixed thereto.

The backrest and seat are generally rigidly connected so that they move together as a unit as illustrated in the drawings, between a sitting and a reclining position; and means of any nature well known in the art may be provided for pivotally mounting the backrest and seat in the frame of the chair as is here conventionally illustrated at 16. This frame of course provides the support for the arms 10, etc.

The present invention resides in the provision of the headrest generally indicated at 18 which may comprise an upholstered portion 20 and a supporting frame 22 as shown; and mechanism is provided for automatically projecting the headrest from a concealed position within the backrest, Figs. 1 and 2, when the device is used as a chair, to an exposed projected position for use when the chair is manipulated to place it in reclining position.

This invention includes means for moving the headrest forwardly, after it has been projected sufficiently, in order to bring the head-supporting surface thereof generally in line with the back-supporting surface of the backrest.

Also, this invention includes special new and improved mechanism for projecting the headrest during the initial movement of the seat and backrest toward reclining position so that the occupant may have the use of the headrest almost at once upon leaning back to move the parts to reclining position; and conversely, the headrest stays in useful position until near the end of the motion of the backrest toward sitting position.

There is a fixed bracket 24 mounted on the fixed frame, this bracket pivotally mounting a driving member 26 which is in the nature of an elongated bar extending upwardly. It is to be understood that there is a bracket and driving member adjacent each side of the frame of the backrest member, only one being shown for clarity of illustration.

At its upper end, the driving member 26 is pivotally associated as at 28 with a lever 30 at one end thereof. The opposite end of the lever is pivoted as at 32 to an intermediate point on the link 34. This link is pivoted as at 36 to a fixed point on the frame of the backrest member 12. Link 34 is pivoted at its opposite end as at 38 to the supporting frame 22 for the headrest.

There is another link indicated at 40 which is pivoted at one end as at 42 to the member 22 but in vertically spaced relation with respect to the pivot-point at 38; and at its other end link 40 is pivoted as at 44 at a corresponding elevated fixed position on the frame of the backrest 12. These links may be of any desired shape but are conveniently stamped out in the shape shown herein.

At the pivot point of driving member 26 and lever member 30, there is provided a pin or rivet 46, this pin or rivet having a head underlying the edges of a cam slot which is provided in a cam plate 48. This cam slot has an arcuate portion 50, the center of which is to be found at the pivot-point 32 when the links are in their uppermost position, with the headrest extending upwardly and forwardly. The cam slot also has a communicating rectilinear portion 52 and it is to be understood that the pin or rivet 46 slides in slot 50, 52 in order to accomplish the objects of this invention.

With the seat in sitting position, the driving member 26 is at its lowermost position relative to the backrest and the pin or rivet 46 is located in the lower portion of slot 52. Upon swinging the backrest toward the rear in order to convert the chair to a reclining position, the pin or rivet 46 moves relatively upwardly in slot 52 and of course this action causes lever 30 to also move bodily upwardly and this in turn causes the link 34 to move in a clockwise direction which causes the headrest to move upwardly and forwardly within a very short motion at the initiation of the rearward motion of the backrest. It will be observed that links 34 and 40 act as a four-bar linkage or parallelogram and maintain the headrest effect and cause it to swing on an arc of a circle from retracted to fully extended useful position.

However, when pin or rivet 46 reaches the lower portion of the arc-shaped cam slot, no further effect is accomplished with respect to lever 30 because it then pivots about its own pivot point 32 relative to the four-bar linkage, i.e. relative to link 34, and therefore the motion of the driving member 26, after pin 46 leaves the straight part 52 of the cam slot, is lost motion and merely allows the backrest to move further backwardly and downwardly without having any further effect on the headrest.

Conversely of course, upon moving the backrest forwardly and upwardly to sitting position, the pin or rivet 46 must move from the top of the curved portion of the cam slot 50 to the bottom thereof before any retraction of the headrest takes place so that such retraction takes

place only at the final portion of the motion of the backrest toward sitting position.

A modification of this construction is shown in Fig. 3 wherein the driving member 26 is connected to a link 54 having a pivot 56 intermediate the ends of lever 58. Lever 58 is pivoted in fixed position at 60 on the frame of the backrest 12 and extends rearwardly past pivot 56 to a portion having a longitudinal slot 62.

A pin 64 is located to relatively slide in the slot, pin 64 being mounted intermediate the ends of link 66 of the four-bar linkage which also includes link 68. These links are pivoted more or less as above described with respect to links 34 and 40 and the pin or rivet 70 at the upper end of driving member 26 is located in the cam slot 72 which is essentially the same as cam slot 50, 52 above described.

The operation of this mechanism is similar to that as above described except that the link 54 operates the lever 58 and lever 58 is pivoted at a fixed position rather than on link 66. Otherwise the operation is substantially the same as that above described.

A further modification of the invention in Fig. 4 resides in the provision of a driving member 76 which is rectilinearly slidable as in a guide 78 by means of a link 80 mounted at the end of a lever 82 and operated by a link 84 in a clockwise direction when the backrest is moved to the rear. Link 84 is mounted on a fixed bracket 86.

The driving member 76 is provided with a rectilinear slot 88 communicating with a right-angle slot 90. In this slot there is provided a pin or rivet 92 at one end of a link 94 and another link 96 having a fixed pivot 98 on the backrest member acts as a guide for link 94.

Link 94 is connected at its upper end as at 100 to link 102 which is equivalent to link 34 above described, and the bracket 22 is operated thereby in the same manner. Link 104 completes the four-bar linkage in this case, links 102 and 104 having pivots at 101 and 103, respectively.

With the parts as shown, driving member 76 rises upon rotation of lever 82 in a clockwise direction, as the backrest moves to the rear. The pin 92 being in the portion 90 of the slot, this causes link 94 and the headrest to rise substantially as above described. However, when the backrest has reached its final forward position, the pin 92 is then in alignment with slot 88 and continued rising of driving member 76 will have no further effect. The reverse operation is true as before and the initial portion of the return motion of the backrest to a sitting position has no effect upon the headrest until pin 92 has relatively ascended to reach portion 90 of the slot in the driving member 76.

If desired, driving member 76 may be applied directly to the link 102 without the use of the intermediary link 94 or 96 and this is illustrated in Fig. 5 wherein driving member 106 is operated as above described with respect to driving member 76 and has a similar slot shown at 108 and 110. This is provided with a pin 112 mounted directly on link 114, which in combination with link 116 forms the four-bar linkage. Links 114 and 116 have fixed pivots at 115 and 117. In this case the operation is substantially the same as above described because when link 114 moves in a clockwise direction, in final headrest exposing position, pin 112 aligns with the longitudinal portion of the slot at 108.

Another form of the invention is shown in Fig. 6 wherein driving member 118 may derive its motion in any way desired as by a link 120. Driving member 118 is provided with a pin 122 located in a slot 124 in a lever 126 which has a fixed pivot at 128. Pin 122 also extends into cam slot 130 which is arcuate and communicates with a rectilinear cam slot portion 132 in a cam plate 133. The lever 126 is provided with a pin 134 in a short slot 136 in a rectilinearly movable member 138 to which the headrest is connected. The link 138 is provided with a pin 140 in a cam slot 142 which has an angular portion as indicated at 144 in another cam plate 145.

As the backrest pivots to the rear, the driving member 118 rises, carrying with it lever 126 as long as pin 122 is located in the arcuate portion 130 of the cam slot, and this causes link 138 to rise, carrying with it the headrest. When pin 140 reaches the portion 144 of cam slot 142, the headrest is constrained to move forwardly, after the rise occasioned by the portion 142 of the cam slot, and when pin 140 reaches the end of slot 144, the headrest is in its final position and approximately at that point pin 122 enters slot 132 and thereafter the driving member 108 is provided with a lost motion which allows the backrest to continue tilting to the rear without, however, any further effecting the position of the headrest.

In Fig. 7 there is shown a modification of a similar device but in which the headrest indicated at 150, when projected in reclining position of the chair, is also projected somewhat forwardly and at an inclination to the surface of the backrest 152. This is desirable in order to provide for a more comfortable head-supporting position of the device.

In the construction of Fig. 7, the driving member is indicated at 154 and it may be operated longitudinally relative to the backrest 152 by any means such as previously indicated. In any event, it is provided with a pivoted link 156 at its upper end, and this link in turn is pivotally connected at 158 to the link 160 intermediate the ends thereof. Link 160 is pivoted at a fixed point on the backrest at 162 and at its opposite end to a headrest supporting member 166'.

The other link of the parallel bar arrangement is indicated at 164 and it is also pivoted as at 166 to the headrest in spaced relation with respect to link 160.

The driving member 154 and the link 156 are interpivoted by a pin or rivet 168 which rides in the cam slot 170, and it will be seen that in the initial portion of the operation, the headrest is projected upwardly outwardly and at a tilt and in the upper approximately one-half of the cam slot 170, the pin or rivet 168 will ride in an arc about the center of the pivot at 158 providing for the lost-motion as above described with respect to the other forms of the invention.

Having thus described our invention and the advantages thereof, we do not wish to be limited to the details herein disclosed, otherwise than as set forth in the claims, but what we claim is:

1. A reclining chair comprising a stationary frame and a backrest unit swingably mounted thereon for disposition between a sitting position and a reclining position, a headrest movably mounted within said unit, means projecting said headrest from said unit upon swinging motion of the latter from seating toward reclining position, said means comprising a link pivotally disposed upon said backrest and connected to said headrest, said link guiding the headrest in a generally curvilinear direction upwardly and forwardly, a second link, a driving member pivoted to the latter, the second link operating the first link, and the driving member being pivoted to the stationary frame, the second link being pivoted to the first link at one end intermediate the ends of the latter.

2. A reclining chair comprising a stationary frame and a backrest unit swingably mounted thereon for disposition between a sitting position and a reclining position, a headrest movably mounted within said unit, means projecting said headrest from said unit upon swinging motion of the latter from seating toward reclining position, said means comprising a link pivotally disposed upon said backrest and connected to said headrest, said link guiding the headrest in a generally curvilinear direction upwardly and forwardly, a second link, a driving member pivoted to the latter, the second link operating the first link, and the driving member being pivoted to the stationary frame, the second link being pivoted at

one end to the first link intermediate the ends of the latter, and to the driving member at its other end.

3. Article of furniture comprising a frame, a backrest pivotally mounted on said frame for disposition between reclining and seating positions, a movable headrest associated with said unit, a link mounting said headrest for extension from said backrest member to useful condition thereof, and means operating said headrest projecting link automatically upon pivoting of said unit from seating position to reclining position, said means comprising a slotted driving member pivoted at one end with relation to the frame, said slot having two connected portions at angles to each other, a slidable element in the slot, said element being connected to the link intermediate the ends of the link, one portion of the slot being generally at right angles to the direction of motion of the driving member and the other portion of the slot being parallel thereto providing a lost motion connection for the link.

4. Article of furniture comprising a frame, a backrest pivotally mounted on said frame for disposition between reclining and seating positions, a headrest associated with said unit, a member mounting said headrest on the backrest for projection from concealment in said backrest member to an exposed useful condition, means including a lever operating said headrest projecting member automatically upon pivoting of said unit, from seating position to reclining position and including means moving the headrest forwardly to align with the backrest, a driving member pivoted with relation to the frame and connected to the lever intermediate the ends of the latter, a cam, a projection on the driving member engaging the cam for motion of the lever by the driving member during a portion only of the travel of the latter, said last-named means including a second cam engaging the headrest and controlling its path of movement.

5. A reclining chair comprising a stationary frame and a backrest unit swingably mounted thereon for disposition between a sitting position and a reclining position, a headrest movably mounted within said unit, means projecting said headrest from said unit upon swinging motion of the latter from seating toward reclining position, said means comprising a link pivotally disposed upon said backrest and connected to said headrest, said link guiding the headrest in a generally curvilinear direction upwardly and forwardly, a second link, a driving member pivoted to the latter, the second link operating the first link, the driving member being pivoted to the stationary frame, the second link being pivoted at one end to the first link intermediate the ends of the first link and to the driving members, said links being effectively arranged to provide a final tilted position of the headrest relative to the backrest in reclining position of the latter.

6. Article of furniture comprising a fixed frame, a backrest unit pivotally mounted on said frame for disposition between a reclining position and a sitting position, a headrest associated with said unit, means mounting said headrest for projection from said backrest member from concealed position within said backrest to exposed useful condition, means operating said headrest projecting means, said operating means being associated with the frame and including a driving member, a cam member on the backrest unit, a connection between the driving member and cam, and a link connecting the driving member and headrest.

7. A reclining chair comprising a stationary frame and a backrest unit swingably mounted on the frame, a link pivoted to said bracket intermediate its ends, one end of the link being pivotally connected to the unit, a headrest, a movable frame in the bracket unit mounting the headrest, the other end of the link being pivotally mounted to the headrest mounting frame so that when the backrest unit is swung upon the frame toward reclining position, the link is pivoted and causes the headrest frame to move relative to the backrest to project the headrest from a concealed position within the backrest.

8. The reclining chair of claim 7 including cam means in the backrest in position to force the headrest and its supporting frame in a forward direction during the motion of the headrest frame.

9. Article of furniture comprising a frame, a backrest unit pivotally mounted on said frame for disposition between a reclining position and a sitting position, a headrest associated with said unit, means including a parallelogram type of linkage for mounting said headrest for projection from said backrest member from concealed position within said backrest to exposed useful condition, operating means for automatically projecting the headrest upon pivoting of said unit from sitting position to reclining position, and means controlling the operating means to provide for the projection of the headrest to function only during the initial motion of the backrest from sitting position toward reclining position, the relation of the headrest and backrest remaining constant during the remainder of the motion of the backrest to reclining position.

10. The article of furniture recited in claim 9 wherein said controlling means includes a cam associated with the operating means and providing a lost motion device during a part of the motion of the backrest.

11. The article of furniture recited in claim 9 wherein said controlling means includes a cam associated with the operating means and providing a lost motion device during a part of the motion of the backrest, said cam having a generally rectilinear operating portion and an arcuate portion, the arcuate portion providing the lost motion device.

12. A reclining chair comprising a stationary frame and a backrest unit having a substantially uninterrupted body-supporting surface, said unit being swingably mounted on the frame for disposition between a seating position and a reclining position, a headrest movably mounted on said unit, said headrest having a head supporting surface, said backrest unit having a cavity at the rear portion thereof, said cavity receiving the headrest in substantially concealed position therein behind the body supporting surface, means including a parallelogram type linkage for projecting said headrest from said concealed position within said unit upon swinging motion of the latter from seating to reclining position, said means comprising a driving member pivotally associated with said stationary frame and operatively connected to said linkage, means guiding the headrest in the motion thereof from concealed position to projected position and causing said headrest to move bodily upwardly and forwardly, positioning the headrest head with its supporting surface in closely adjacent cooperative relation with the backrest supporting surface and above the same.

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